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CONTENTS

5 MAY 1989

POLITICAL

ALBANIA

- Speedier, Higher Quality Court Decisions Needed [ZERI I POPULLIT 12 Jan] 1
- Failure To Consider Workers' Suggestions Deplored [ZERI I POPULLIT 26 Jan] 2

GERMAN DEMOCRATIC REPUBLIC

- Divided German States Justified [EINHEIT Vol 44 No 3] 4
- EINHEIT Summaries of Selected Articles in March 1989 Issue [EINHEIT Mar] 7

HUNGARY

- MDF National Congress, Political Goals Examined [MAGYARORSZAG 24 Mar] 8
- Hungarian Peasant Party Organization Meeting Held [MAGYAR HIRLAP 14 Feb] 10
- Documentary on Recsk Prison Camp Reviewed [NEPSZAVA 13 Apr] 11

POLAND

- Bender on PZPR Loss of Power, Democratic Heritage [KONFRONTACJE Dec] 12
- Roundtable Subgroup Participants Present Different Agendas [POLITYKA 4 Mar] 15
- Historical Society President on Research, Interpretation Trends [POLITYKA 11 Mar] 18
- Taking Censor to Court: Supreme Court Finds for Plaintiff [TYGODNIK POWSZECHNY 12 Mar] 21
- Newly Registered Lawyers Society Seeks Active Role [PRAWO I ZYCIE 18 Mar] 22

YUGOSLAVIA

- Chairman of Human Rights Forum Interviewed [VJESNIK 12 Mar] 23

ECONOMIC

HUNGARY

- Root Causes of Employment Problems Described [NEPSZAVA 11 Feb] 27

POLAND

- Self-Financing Polish-Soviet Trade Chamber Organized 28
- Poor Use of Existing Resources [RYNKI ZAGRANICZNE 18 Mar] 28
- More Direct Enterprise Contacts [RYNKI ZAGRANICZNE 18 Mar] 29
- Duty on Goods Imported From Bloc Proves Troublesome [RYNKI ZAGRANICZNE 2 Feb] 30
- New Economic Operations Law Criticized as Only Partial Measure [WPROST 19 Feb] 32
- Economists Argue About Enterprise Privatization 34
- Advantages of Privatizing Firms [KONFRONTACJE Dec] 34
- Limited Privatization Favored [KONFRONTACJE Dec 88] 36
- Economists Argue State-Sector Conversion Options 38
- Gradual Group Ownership Favored [KONFRONTACJE Feb] 38
- Universal Property Endowment Favored [KONFRONTACJE Feb] 40

ALBANIA

Speedier, Higher Quality Court Decisions Needed *21000013 Tirana ZERI I POPULLIT in Albanian* *12 Jan 89 pp 3-4*

[Article by Aranit Cela, president of the Supreme Court of the People's Socialist Republic of Albania: "Speed, and the Highest Quality of Justice Is Required"]

[Text] Because of its character, the judicial process, as a state function, handles the important interests of society and of its special members; it is influential in strengthening the party-people unity, in solving conflicts and in establishing good understanding among the working people. Therefore, Comrade Ramiz Alia, at a recent meeting of the Presidium of the People's Assembly, referring to the justice organs, stressed: "The party's demand of the courts is explicit: speed, and the highest quality of justice."

Providing socialist justice in the courts of all levels is precisely conditioned by the factor of quality and the factor of time. It is understood that speed in passing judgment on cases, by keeping the process current makes the court decisions much more fruitful; therefore, it is influential in providing justice. Implementing the party line and Comrade Enver's teachings, our courts have achieved noticeable successes in the rapid judgment of penal and civil cases. During 1988 more than 92 percent of penal and civil cases were tried within one month; as a matter of fact, 84 percent of the penal cases were disposed of within 15 days of their arrival at the court. Last year more than 90 percent of the cases were concluded within a single court session. For consecutive years many courts have been consistent in the speed of passing judgment on their cases and even have speeded up the process. Such are the courts in Mirdite, Sarande, Kukes, Elbasan, Lushnje and other districts.

Nevertheless, there is still room for further acceleration of court decisions. There are still many cases, especially civil cases, which drag on for days and months, which are developed in many sessions and which become the reason not only for confusion in the work of the court, but also for tying up various people who are participants in court proceedings as witnesses, experts or members of the litigant parties. Such manifestations were observed last year in the Lezhe, Kruje, Librazhd and other district courts. Better organizational work by presiding judges in the district courts and improved organization of every judgment by judges are today the main requirement against any routine work in judgment. The noticeable volume of work in certain district courts must not be used as an excuse for delays or for poor quality work. It should be handled through better organization, greater mobilization and higher efficiency in work on the part of every court and every judge. Strengthening of work discipline, better and more complete utilization of work time and increased production are issues of great importance also for workers in the justice organs. They require

attention and, above all, a correct and concrete solution. However, regardless of the importance of speed and, in general the struggle against routine work in judgment, the main issue remains the quality of judgment and of the legal decision which is its synthesis. Ultimately, providing justice depends mainly on the quality of the judicial decision, an act carried out in the name of the people who have the power of the law and which reflect, in regard to established issues, the policy of the party and of our state. Deficiency in our socialist society is inadmissible everywhere; it is very dangerous when it comes to the decisions given by the courts, when it comes to our justice. It is understood that an unfair court decision can very much affect, established socialist social relationships; it can noticeably damage the state and social interests and, more often, it can greatly harm the rights and freedoms of our citizens, which our party and people's government preserve as very dear assets.

Led by the party, our courts have, for consecutive years, devoted their work and attention to the struggle for insuring great stability in their decisions. However, in spite of this fact that reflects the main tendency in the work of the justice organs, still there have been some mistakes and shortcomings: not all court judgments and decisions have responded to the party request. The fact that 6.9 percent of the decisions by the courts of first instance during the 9-month period of last year were impaired in one way or another indicates the existence of shortcomings. We must think seriously about the fact that 4.5 percent of the judgments passed on by the first instance courts are being repeated because the decisions are impaired by the courts of second instance as a result of incorrect execution of the laws and, even more because of the basis of the evidence. The decrease in the quality of court decisions was especially evident last year in the Durres, Korce, Tirana and Shkoder district courts. These indicators must be improved at all costs in a noticeable manner.

Of course, there are many factors which influence the quality of judgment and of court decisions; they must be well known by all judges and auxiliary judges and be correctly handled and used. Handing down, as any other work, judgment above all, needs organization and preparation. According to observations, it appears that the cause of the impairment of the majority of impaired court decisions is to be found precisely in the lack of pretrial preparation, such as the lack of proper study of the case being judged both by judges and auxiliary judges, the failure to determine the main issues to be clarified, the lack of measures for providing witnesses or other necessary participants in the lawsuit and so forth. Of course, here, sometimes there also are outside factors which complicate the proper organization and development of judgment procedures, such as the obstruction of auxiliary judges, the failure to present documents or the absence of persons that help the judiciary process and so forth. "The failure or postponement of lawsuits," Comrade Ramiz Alia recommends, "must become an issue

and must not be concluded easily; all those who, because of their activities, prevent the court from providing justice must be made to face responsibility for failure."

Anyhow, with persistent work and orderly execution of the power that the law has given to courts, all these can be overcome. The main thing is that judges must well understand the need for properly organizing and fully preparing themselves for passing judgment, making it a work method, because the way this should be done, the order of work and so forth are established in time; while presiding judges and the sectors of the Supreme Court, according to responsibility, must pursue it on a continuing basis, must improve control and aid, especially in regard to new judges and auxiliary judges.

Sometimes, the violations of court decisions are the result of faulty execution of the law. From time to time, this happens because of excessive self-confidence in regard to the knowledge and understanding of the law; in some other cases, this also happens because of failure to consult the appropriate literature, to consult comrades and, why not, also other organs. Continuing professional efficiency occurring after using all forms of activities, especially daily individual study work, based on the need presented by every case that is being judged, is the best solution for high quality work in passing judgment and for handing down highly competent decisions, as Comrade Enver Hoxha advised us.

Sometimes, the quality of judgments and of court decisions is damaged by the mania for increasing the speed of the judgment of cases, willy-nilly, to the detriment of quality. Here, we forget the relationship between speed and quality; it is a fact that quality has priority over speed; therefore, speed, first of all, must serve quality. "Of course," Comrade Ramiz Alia stresses, "We are for the rapid judgment of cases, provided that it is not done to the detriment of quality. Speed in judgment also implies quality. It is meaningless to have speedy judgments when later the court decisions are impaired by higher courts, when cases are returned for retrial and when court sessions follow each other, and this situation continues for months..."

Sometimes, interventions from the organs or other persons in the solving of concrete cases have a negative influence on the quality of judgments and of court decisions and on the work for providing justice from the courts. Comrade Enver Hoxha used to say that nobody should ever interfere in the courts' work to solve their cases. And, the law always guarantees the independence of the judicial body in the examination of concrete cases. As a rule, this is how we work in our country. Nevertheless, there is no lack of interventions, even if they are rare. However, this is not the main issue. It is important that the justice organs never become the victims of these interventions; or rather, this is necessary. As the party recommends, these manifestations "must be nipped in the bud." Everyone must understand that, noninterference in the solving of concrete cases does not mean

independence for the court. The courts, as every other organ, account and must always and properly account, to the very one, for their activities and for the concrete cases which they judge, to the party organizations and committees, to the district people's councils and the work collectives. This is the line of our party, this is required by our Constitution: Therefore, this is how it is being done and will be done.

As everywhere, also in court activity, the strengthening of control and of the requirement for accounting remains a very important factor for rectifying shortcomings and for progress in work. In this field, too, we must fight against weaknesses and shortcomings. First of all, the work collectives of our organs and their responsible persons must, time after time, examine their issues, especially the issue of the quality of work and this is not only in regard to the judging of cases, but also, more widely, in regard to all activities of courts, of offices in charge of court decision and of offices of juridical assistance, for the preventive struggle and the reinforcement of cooperation with the other special organs of the dictatorship and with those of the state and mass organizations, for the establishment of a unified front in the struggle against antisocialist manifestations and, in general, for the further invigoration of our socialist juridical system. It is necessary to strengthen control over the district courts by the zonal courts which, as a result of recent change in the field of jurisdiction, have the entire juridical procedure in their hands. The main thing is that the zonal courts widen their control through the cases they examine, give it a comprehensive character and develop criticism and the requirement for reporting within the framework allowed by the law, struggling against any kind of negligence, compromise and unnecessary generosity. Through juridical control, exercised by the zonal courts, we must improve especially the quality of aid to special judges of combating manifestations of formalism which sometimes are observed. There is also room for improvement in the control exercised in various forms by the sectors of the Supreme Court. Despite its expansion, our directing and monitoring activity needs greater concentration on some foremost issues, such as the quality of judgment and of preventive measures. More and better efforts are required from the Supreme Court Inspectors and also from the other sectors, so that the management by the court officials, especially in the field of broader control and of better accountability will be strengthened and become methodical and unbreakable.

Failure To Consider Workers' Suggestions Deplored

*21000014 Tirana ZERI I POPULLIT in Albanian
26 Jan 89 p 1*

[Article: "Inspired When They Give Ideas, Sensitive When They Are Not Heard"]

[Text] Living intensively with the developments of the country has cultivated a new characteristic in our people—the interest of everyone in the problems of life. Our

people have many ideas about work. Their cultural level, their ever increasing professional training, their acute and sound political thinking and so forth have made it possible for everyone, and not only for some experienced specialists and workers, to present skillful opinions about work. The creative thinking of the working masses embraces vast areas; it extends from the daily problems of production to the great vital matters of the country. This is because our people feel very strongly about their work; they want our socialist regime to become strengthened and progress in an uninterrupted manner. However, how and how much is the masses' thinking encouraged and heard? Do we immediately apply our workers' proposals? In addition to the achievements which are the norm, there are many bureaucratic attitudes which should be criticized. The manifestations of bureaucracy restrict the courageous, innovative thinking of our masses. But, just as harmful is the limited work carried out by certain cadres and even party organs and basic party organizations for broadly involving the people's thinking, especially of those who, as the people say, are full of brains, who distinguish themselves and who are in the meaning of the word standard-bearers and militants in the development of the economy, culture, sciences, literature, arts, sports and so forth. There are cases when the involvement of the masses' thinking is simplified at the advice of the director or head of office involving only three to four persons who are around them, and that is that. Without denying the importance and value of such practice, the insistence on including the entire working collective in the solution of emerging problems also has a very great practical and theoretical importance, because, as the party teaches us, socialism is being built by the masses and the party makes the masses conscientious. Also to be criticized is the phenomenon observed in the activity of certain leading elements who seek to involve the people's thinking only in large aktivs and meetings, where successes and achievements are better shown, and not in rational ideas aimed at promoting the progress of work. This behavior has no value at all, but also it should not be made a fetish. The people speak their opinions without fear in small groups and unstructured meetings and discussions, where there is no need for official and bureaucratic formalities. Therefore, regarding the involvement of the masses' opinion, we must use all kinds of forms; aktivs, but better meetings, talks and consultations with a few people near the work front, where the issue needs to be solved. Such an approach and closer communication make the involvement of the people's thoughts even more fruitful.

The work would not be effective, not to say it would be negative if you ask the people to give their opinions about the issues that emerge; in these consultations, proposals are made and recorded, but later no effort is made to apply them sufficiently. Almost every year the Ministry of Health asks the directors of clinics and of college services to send their reports and suggestions for improvement in these clinics. Discussions are organized in clinics and reports on these discussions are dispatched to the ministry. But, in most cases, these thoughts and

plans end up somewhere in drawers. No one bothers to answer or to do anything about their implementation. Such activities create indifference. "Why should I discuss anything when everything ends up in a drawer"?

In addition to indifference, these attitudes create a kind of mistrust in the leading and organizing activities of certain cadres and specialists. For example, investigative groups of officials and leaders from the central departments have been dispatched to Bulqize and Bater to solve many issues dealing directly or indirectly with chrome production which the miners brought up. But, so far, despite the work done, there are issues which have been noted, taken into consideration as correctly justified and promises have been made to solve them but, so far, they have not been solved completely. For example, the construction of the central heating system in Kraste has been delayed for a long time. The boiler was installed but, because of trivial matters, it is still not commissioned, although the winter has begun and the temperatures are low. The Ministry of Industry and Mines should have done more to solve the worries of the chrome miners. Shortcomings also exist in the work of the trade organizations in regard to the normal supplying of miners in Bulqize and Bater. In fact, their worries are known, promises are made and, still, we continue to do as before or make very little improvement.

Because of routine and bureaucratic work, not only are valuable thoughts and suggestions not applied, but also very valuable studies are forgotten in drawers. Here, I am referring to the studies which require neither great investments nor imported materials. For example, after many discussions by various specialists, the Institute of Chemistry made a study for the water cleaning system of the paper plant in Lezhe. The execution of the project followed the discussions. And the factory was built near the plant which would have insured profits from the cleaning of these waters of 3,000 to 4,000 tons of soda every year at very low costs. In the meantime, the pollution of internal and coastal waters were avoided. But, months passed, the flora and fauna were damaged, the tons of soda were not removed because of lack of coal! In the meantime, it was expected that similar factories would be built rapidly for the same purpose in Shkoder and Kavaje. Such studies of great interest, but which are not applied because they are not supported by the responsible departments, are to be found at the Petroleum Technology Institute in Fier, at the Institute for Construction Technology Studies in Tirana and at other places. These issues should become subjects of discussions in the basic party organizations so that they can be resolved as soon as possible. The main thing is that the people give much thought to various problems and courageously express their opinions. Of course, we may have discussions and disagreements; but, this does not mean that such attitudes would become the reason for restraining the opinions of the masses.

GERMAN DEMOCRATIC REPUBLIC

Divided German States Justified

23000151d East Berlin EINHEIT in German
Vol 44 No 3, Mar 89 (signed to press
9 Feb 89) pp 271-275

[Article by Dr Klaus-Uwe Koch, staff member at the Institute for the History of the German Workers' Movements at the SED [Socialist Unity Party of Germany (GDR) CC [Central Committee]'s Academy for Social Sciences: "Why There Is No 'Open German Question'"]

[Text] "German question" is a term suggesting one of the most intricate aspects of European history after World War II. In the outcome of long years of harsh conflicts and shaped by the collision and struggle between opposing internal and external class forces and interests, that question has long been disposed of by history. To respect this irrevocable reality of the European postwar order without reservation is indispensable particularly with regard to shaping our joint home of Europe, a home in which all the peoples of our continent can live peacefully together, get along with each other, and work together for their mutual benefit.

What Was the German Question All About?

The peoples of the anti-Hitler coalition, particularly the European peoples, in 1945 confronted the horrible results of the fascist German imperialist war of crimes, pillage and conquest. The historic task was doing everything possible to preclude a repetition of such an inferno for all times and prevent war from ever again emanating from German soil. This historic precept, which implied the uprooting of fascism and militarism, joined the fundamental interests of the forces in the anti-Hitler coalition, of the peoples liberated primarily by the Soviet Union's heroism, with those of the German people who also, through the liberation from Fascism, got the chance for building a new life.

There arose the fundamental question, the key question, for the peoples in the anti-Hitler coalition as to what should have to be done so that Germany could never again threaten the security and existence of its European neighbors and other countries. That meant, mainly for the major powers among the victorious states, the USSR, the United States, Great Britain and France, permanently settling German affairs in this sense through international accords as well as with German people.

For the German people themselves, through the definitive fall of the German Reich in the flames of World War II, the substantive question about the prospects for a future national existence had been raised. That concerned their social premises, political framework, and international position. "An entirely new course must be taken," the KPD [Communist Party of Germany] Central Committee demanded in its historic 11 June 1945

appeal "so that a third repeat of the catastrophic imperialist policy becomes impossible." The communists' party called on all democratic and progressive forces of the people for the "big struggle for Germany's democratic renewal, for the rebirth of our country" and proposed a close cooperation among the antifascist and democratic parties as a "firm foundation in the struggle for the complete liquidation of the Hitler regime's residues and the establishing of a democratic regime."¹ This course, resolutely pursued by the KPD, backed by the other anti-fascist-democratic forces and, notably, welcomed by the SPD Central Commission in its 15 June 1945 appeal,² conformed to the orientations of principle and international law pronouncements of the Potsdam Agreement of 2 August 1945. The obligations thereby imposed on the German people and the accords on the tasks of the occupation powers and the Allied Control Council formed the obligatory framework for solving the then indeed "open" German question. The final decision about it was made only in the outcome of protracted developmental processes filled with struggle.

How Was the German Question Settled?

At the 8th SED Congress, Comrade Erich Honecker remarked: "As to the national question, history has already settled that. The German haute bourgeoisie proved from the start the worst enemy of the nation. Through two world wars it had caused it plunged the German people into national catastrophes. As a result of the predatory war of fascist German imperialism, the former German Reich perished in fire and blood. Thereby the German haute bourgeoisie has definitely forfeited the right to lead the nation. The workers class alone was competent to renew the nation on a democratic premiss and ensure its unity in an anti-fascist-democratic German state."³ How did this class content of the national question in Germany show up in the years after the liberation from fascism, and in what processes and results did it find its expression?

1. While the democratic and progressive forces of the German people were willing to use the historic chance given with the liberation from fascism for setting up a democratic and peaceable German state, the reactionary-restorative forces of the German monopoly bourgeoisie sought to restore the imperialist conditions of authority and regain lost power positions. In collusion with the imperialist occupation powers, the German monopoly bourgeoisie pushed for setting up a separate West German state and—breaking the Potsdam Agreement—split the national union. Rather than all of half of Germany those forces wanted half of all of Germany. From the outset they placed their bets on using their separate state, as a spearhead for aggressive imperialist strategy, for "rolling back" socialism to enforce their claim to dominion again over the Reich within its former boundaries.

In the Soviet zone of occupation, in contrast, in full conformity with the Potsdam Agreement, under the leadership of the workers class allied with the farmers

and other working people, and in the wake of the antifascist and democratic transformation, the relics of fascism were eliminated, imperialism and militarism were politically and economically rendered impotent, and so the foundations were laid for a new German state. The founding of the GDR marked a turning point in the history of the German people and in Europe.

Through setting up the separate state of the FRG and through founding the GDR in 1949, two contrary responses had been made to the question of 1945 about the social perspectives for future German statehood in a historically concrete form. Realistic considerations about solving the German question could not evade that anymore.

The GDR, backed by the USSR, even under these altered conditions resolutely held on to its objective, in line with the Potsdam Agreement, to ensure a development serving peace in all of Germany and did what it could to overcome the German split. Compromises were necessary and conceivable for it—only recall the proposal to the Bundestag from the People's Chamber in 1951 for all-German elections and for preparing a peace treaty, or the 10 March 1952 proposition from the Soviet Union on drafting a peace treaty. At the same time, the USSR and the GDR strictly opposed all attempts to ignore the development of two German states, let alone find solutions at the expense of the workers and farmers power. Abandoning socialism in the GDR was out of the question.

However, the elimination of the GDR and of its social order precisely was the basic aim of imperialism in the FRG, constitutionally anchored in the postulate for a "reunification in peace and freedom," which through the nonrecognition of the territorial status quo placed the realities in Europe in doubt and raised even revanchist demands against the Soviet Union and other socialist countries openly. To reach their goals, the ruling circles in the FRG carried on their imperialist splitting policy, revising the Potsdam Agreement and integrating the FRG into the West, whereby they increasingly blocked the way to a joint solution of the German question.

2. Starting in 1955 mainly, an entirely new situation evolved. Through signing the Paris Accords, the FRG had become part of NATO, the military orientation of which was unequivocally directed against the USSR. The alliance obligations assumed by the FRG were also supposed to be transferred to a reunited Germany. At the same time, within the framework of these accords, the so-called German Treaty came into force for the FRG regulating the relations between the FRG and the former Western occupation powers.

By signing the Warsaw Pact Treaty in May 1955, the socialist states drew the inevitable conclusions. As a founding member of the socialist defense alliance the GDR thus was integrated into the socialist community of states and so secured the achievements of the socialist

revolution against any counterrevolutionary designs. Simultaneously, the USSR, through the September 1955 state treaty, regulated its relations with the GDR. Therefore, this is what became apparent in 1955:

—Two mutually independent and sovereign states existed on German soil which differ fundamentally in their social orders and belong to opposing alliances.

—In form of the two states, as to the political organization and social development of the German people, fundamental and mutually opposite decisions had been made that would turn out to be irrevocable from there on.

—Through international law treaties with their given former occupation powers the GDR and the FRG had obtained a new status under international law.

Attempts at solutions for what had still stayed open in the German question now mainly concentrated on a peace treaty ruling that should have to include both German states and respect them as equal partners. Whereas the USSR established its relations with the FRG as early as 1955, the United States, Great Britain and France thought they could ignore the socialist German state. GDR proposals on setting up a confederation between the two German states were turned down by the FRG and its allies. Thus it became ever more evident in the 1960's that history had definitively settled the German question. What now was placed on the agenda was the task to establish normal relations between the GDR and the FRG, under international law, based on the principles of peaceful coexistence between states with opposing social orders, whereby to make an important contribution to turning from the Cold War to detente, security, and cooperation in Europe.

3. The conditions for it ripened in the early 1970's, thanks mainly to the tenacious efforts by the socialist states, to which the GDR contributed energetically, and by broad social forces on the continent as well as the efforts of realistic circles in the governments of capitalist states, notably in the SPD [Social Democratic Party of Germany (FRG)]/FDP [Free Democratic Party of Germany (FRG)] coalition government of the FRG at the time. In the treaties with the FRG by the USSR, Poland and the CSSR (1970 and 1973), in the Quadripartite Agreement on West Berlin of 1971, and in the Basic GDR-FRG Treaty of 1972 the open and in part complicated questions of international coexistence were agreed on and settled. The key lay in the mandatory recognition of the results of World War II and of European postwar development. The Final Act of Helsinki of 1975 confirmed the decisive principles of the European set of treaties: unlimited sovereignty of all states in Europe, inviolability of the existing boundaries, noninterference in internal affairs, and the readiness for normalization and cooperation.

No other conclusion can be drawn from any objective way of looking at it: a German question no longer exists. This chapter in European postwar history is irrevocably finished. The decision about it was made in the course and outcome of postwar development in Europe. All facts demonstrate we wanted a different solution of the German question from what we got. We dedicated ourselves to it, backed by the Soviet Union and the other socialist states as also by large parts of the population in the western zones or the FRG. Very long and, for good reason, to an extreme limit, our party held on to its goal to achieve a democratic and progressive development for all of Germany, conducting the struggle for a unified, anti-fascist-democratic republic. The power ratio on the national and international scale did not permit this task to be solved in spite of the greatest efforts.⁴ On the other hand, however—and that expresses the profoundly changed international situation after World War II—imperialism no longer had the capacity to regain its lost region of supremacy. Though still able to prevent the democratic renewal of all of Germany and to conserve the bourgeois nation with its implacable class antagonisms, it no longer could halt the historic process of development of the GDR into the socialist nation.⁵

What Hides Behind the Babble About 'Keeping the German Question Open'

Diametrically opposed to historic facts is the conception of "keeping the German question open" that holds the rank of an official doctrine in the politics and ideology of imperialism in the FRG. The same social forces that split Germany today try, under the cover of that conception, still to implement the goal they never abandoned, the restoration of capitalism on the territory of the entire former German Reich. It amounts to nothing else if now they are talking still of the survival of a "German question" and of its being kept "open" as a main task of FRG government policy. In connection with the doctrines of the continued existence of the German Reich within the 1937 boundaries and of a unified German nation, claims in violation of international law are thus to be reinforced against the GDR and other socialist countries.

The thesis of "keeping the German question open," championed today mainly by conservative forces—especially on the right wing of the CDU [Christian Democratic Union (FRG)]/CSU [Christian Social Union (FRG)] and still further to the right—embodies essentially revanchist goals. Nuances of it are still mouthed by representatives of other political trends, though, who do take account of realities. Lack of consistency in the attitude on this matter, though, hampers further advances in the detente process and ultimately hurts the safeguarding of peace. It is an undeniable contradiction in the policy of the incumbent FRG government that it, on the one hand, recognizes the validity of the European set of treaties with the consequences of international law resulting from it but, on the other hand, at the same time

places this set of treaties indirectly in doubt by contending that peace and detente could not be secured on the long run in Europe unless that question is resolved. In contrast, important political forces, mainly in the SPD, have in recent years warned more against fruitless discussions of this thesis and advised more realism.

Historical facts speak an unequivocal language: First: The GDR citizens have exercised their right to political self-determination to the same measure that this right is not denied the citizens of the FRG. There have been two German states with opposite social orders for four decades now that can be combined as little as fire with water.

Second: The problem of state sovereignty was already clarified late in 1955 for both German states. Through the set of European treaties and the Helsinki Final Act all essential questions have been resolved under international law that could have been subject to a peace treaty in the past. The GDR and the FRG have settled their relationship with their European neighbors. Their representatives have announced jointly: "The inviolability of the borders and the respect for the territorial integrity and sovereignty of all states in Europe within their present boundaries are a fundamental condition for peace."⁶ Their relationship with the major powers in the anti-Hitler coalition has been straightened out. The GDR and the FRG are both recognized worldwide in terms of international law and have been UN members since 1973. Their place in the international community is buttressed through many bilateral and multilateral treaties. There is nothing open or unclear about that.

Third: Through their 1972 Basic Treaty, finally, the two German states defined their relationship and mutual relations in terms of international law. That cannot be changed by the FRG government's fixating on such relics of the Cold War and of the Hallstein Doctrine as the failure to respect GDR citizenship or the maintaining of the Salzgitter registry. To let go of that and renounce the demagogic slogans of "keeping the German question open" is a precept of our age, in the interest of the peoples both of the FRG and the GDR and of all states and nations. Comrade Erich Honecker put it plainly: "As the result of World War II and of postwar development there are two sovereign, mutually independent German states. They are an indispensable element of the balance of power in Europe and thus also for the European order of peace. All European nations can live with the existence of two German states."⁷

Footnotes

1. "Dokumente zur Geschichte der SED," Vol. 2, Dietz Verlag, East Berlin, 1988, pp 12, 15.

2. Ibid.; p 18.

3. Comrade Erich Honecker, "Bericht des Zentralkomitees an den VIII. Parteitag der Sozialistischen Einheitspartei Deutschlands" [Central Committee Report to the 8th SED Congress], Dietz Verlag, East Berlin, 1972, pp 30-31.

4. Hermann Axen, "Patriotism and Internationalism in the Struggle of Our Time," EINHEIT, Nos. 11/12, 1988, p 268.

5. Juergen Hofmann, "On the Development of the Socialist Nation in the GDR- Experiences and Perspectives," EINHEIT, No 8, 1988, pp 734 ff; Juergen Hoffmann, "Ein neues Deutschland soll es sein" [A New Germany It Shall Be], Dietz Verlag, East Berlin, 1989, pp 38 ff.

6. "Erich Honecker Meets With Helmut Kohl in Moscow," NEUES DEUTSCHLAND, 13 March 1985, p 2.

7. Erich Honecker, "Reden und Aufsätze" [Speeches and Essays] Vol 10, Dietz Verlag, East Berlin, 1986, pp 368-369.

EINHEIT Summaries of Selected Articles in March 1989 Issue

23000151a East Berlin EINHEIT in German
Vol 44 No 3, Mar 89 (signed to press
9 Feb 89) pp 194, 287

[Text]

Democracy Before and Behind the Factory Gate

[Summary of article by Harry Tisch; pp 203-209]

Deliberate democratic codetermination and coshaping by millions of trade unionists proves an authoritative force of the exercise of power in our workers and farmers state. The spread and perfecting of socialist democracy in the enterprises proceeds primarily through the expansion of trade union rights and responsibility. Trade union representation of interests—fighting for dynamic economic growth and improvements in working and living conditions. Technological change and its implications for trade union participation.

Socialist Democracy—Process of Steady Development and Perfection

[Summary of article by Prof Dr Horst Steeger, rector of the Academy for Political Science and Jurisprudence of the GDR; pp 210-215]

The GDR's birth and growth rely on the deliberate democratic codetermination and coshaping of millions under the leadership of our Marxist-Leninist party. The shaping of socialism has been and is a process of steady upward development in which all sectors of public life gain maturity. Socialist democracy is nothing static

either but engaged in steady perfection. Based on workers and farmers power, this process of development is carried on purposefully. With a view to the communal elections, the further development of socialist election law is explained.

The Development of Our Socialist Legal Order

[Summary of article by Dr Siegfried Wittenbeck, state secretary in the Ministry of Justice; pp 216-221]

The socialist legal order guarantees all citizens equal rights and freedoms, protects human dignity, and encourages man's actions toward social progress. How do legal stability and the dynamics of social development relate to one another? Main trends in the further perfecting of our socialist legal order for the all-round support of the economic strategy, the further spread and perfection of socialist democracy, and the ensuring of high legal safety. How do the citizens take part in drafting and implementing the laws?

Social Development and Socialist Property

[Summary of article by Prof Dr Harry Nick, research director at the Institute for the Political Economy of Socialism in the SED [Socialist Unity Party of German (GDR)] CC [Central Committee]'s Social Sciences Academy; and Prof Dr Gerd-Rainer Radtke, lecturer at the same institute; pp 225-232]

The property question is of decisive weight in all social development. The tremendous changes of the productive forces, the rapid rate of scientific-technical progress, and the intensification requirements induce the socialist countries to contemplate the further shaping of the socialist property relations. Thorough analyses of experiences, of what has been accomplished and what needs doing, typify our party policy also with respect to shaping the diversified and complicated property structure in our country. What requirements are we facing today in this process?

Impulses for Higher R&D Productivity

[Summary of article by Dr Horst Enders, head of the department for Marxist-Leninist party doctrine, party life, and party construction at the SED CC's Karl Marx Party College; and Dietmar Groell, graduate physicist and social scientist, secretary of the SED basic organization in the research center of the VEB Carl Zeiss Combine, Jena; pp 233-238]

Through using modern data-processing technologies, new opportunities for vastly improving productivity arise also for R&D and project planning. How does the research center of the VEB Carl Zeiss Combine Jena use

computer-aided technologies? The heightened requirements for lead-oriented training, scientific labor organization, and individual performance motivations. Which tasks arise from that for the party organizations' ideological efforts?

Rationalization Means Construction in Agriculture, Forestry, and Foodstuff Industry

[Summary of article by Heinz Simon, graduate engineer, deputy minister for agriculture, forestry, and the foodstuff industry; pp 239-242]

What is the responsibility of the technical ancillary sector for comprehensive intensification in agriculture, forestry and the foodstuffs industry? What results have been achieved thus far, what remains to be done? How can we meet the criteria set through the Bernburg Conference for performance and efficiency growth in maintenance and rationalization means production?

On the Occasion of the 70th Comintern Anniversary

[Summary of article by Prof Dr Erwin Lewin, sector chief at the SED CC's Institute for Marxist-Leninism; and Prof Dr Horst Schumacher, department chief at the same institute; pp 243-251]

Tribute is paid to the total achievement of the Comintern which, a world-shaking factor in the first decades of our era, made an important contribution to forming the communist world movement, to linking the international workers movement with Marxism-Leninism, and to creating strong revolutionary parties that proved themselves in the struggle against imperialism, fascism, and war. The KPD had a share in the overall developmental process of the Comintern and gained strength and backing through the Comintern efforts.

Justice—Basic Value of Socialism

[Summary of article by Prof Dr Juergen Schmollack, deputy director of the Institute for Marxist-Leninist Philosophy at the SED CC's Social Sciences Academy; pp 252-257]

Implementing the ideal of social justice is a deeply humanistic objective of our party policy. Which are the ideological positions that guide us in it? How is social justice realized, comprehended as a value, and made effective as an impulse for social progress? What is the connection between the performance principle and justice? What demands are made on management activity to develop justice further as a value of our society?

Our Schools—Historic Accomplishment and Social Developmental Potential

[Summary of article by Dr Lothar Oppermann, department chief in the SED, CC; pp 258-263]

Our schools, the entire educational system, are inseparable from the shaping of our society, outcome and

developmental factor of the historic changes since the founding of the GDR, since the liberation of the German people from Hitler fascism, in fact. It is shown that throughout all the phases our party presciently derived the school policy tasks from the objective social requirements and shaped the smooth and dynamic school policy development as a joint democratic project.

Economic Cooperation in the Common European Home

[Summary of article by Prof Dr Gerhard Scharschmidt, head of a research department at the Institute for the Economy and Politics of Socialist Countries in the SED CC's Academy of Social Sciences; pp 264-270. A full translation of this article is published in this report]

Economic cooperation in their common home is for the European states today more than a requirement of productive forces development and pretext of economic utility. Within the context of political detente and military disarmament, and of the cooperation in the intellectual-cultural and humanitarian fields, it has become an essential prerequisite for life and a secure future. How can this cooperation be shaped in view of the existence of two opposing social systems on the continent? What has been accomplished and which barriers must be removed to provide it with a viable perspective?

HUNGARY

MDF National Congress, Political Goals Examined

25000175 Budapest MAGYARORSZAG in Hungarian
24 Mar 89 p 20

[Article by Endre Varkonyi: "After the National Congress; The MDF Political Platform, Party? Movement? Both?"]

[Text] Compared with everything previous, events have accelerated almost immeasurably. Last September—hardly 6 months ago—we wrote: "A new movement: the MDF [Hungarian Democratic Forum]" (MAGYARORSZAG, 1988, No. 38), and now in March 1989 some 400 member organizations were represented at the MDF's national congress in Budapest, at the University of Economic Sciences.

Our September 1988 article closed with the statement: "The Hungarian Democratic Forum is searching for its place ... within a political pluralism." The national congress has already created a platform, including nearly every area of state, social and economic life.

A New Constitution

The epithet 'openness' is rarely used in politics and, even then, not always in a positive sense. However, the MDF is emphasizing that it is "playing with open cards" and

has nothing to hide. It proved this also by inviting Karoly Grosz, First Secretary of the MSZMP, and Matyas Szuros, the new President of the National Assembly, to the national congress (because of other commitments, the former was represented by the party spokesman).

Although it is precisely in connection with the National Assembly that the national congress assumed, in Hungarian political life a new, and on the part of the MDF a very consistent, point of view. (Zoltan Biro, member of the relieved provisional presidium as well as of the newly elected one, and editor in chief of the HITEL, writes: "We want the convocation of a constituent National Assembly. The present National Assembly should legislate a provisional electoral law on the basis of which the nation would elect the constituent National Assembly. Subsequently the National Assembly would dissolve itself. But we would also find it an acceptable solution for the constituent National Assembly to have no other task than the creating of the new constitution and, likewise, a new electoral law, and, in connection with these, the formation of a political consensus which would provide guarantees for correct process in succeeding elections. Further on, the present National Assembly could carry on with its work until the elections that are due in any case in 1990.")

Several speakers spoke of this at the national congress. They all asserted that although they recognize its merit, the present National Assembly does not really have the authority to accept a new constitution. The MDF's presently accepted platform draft reads as follows: "Special elections for creating a provisional constituent National Assembly must be announced. Talks between society's existing and emerging political forces regarding the date of the elections and the methods and mechanics of a democratic process must be started immediately."

The MDF likewise considers the separation of the classical legislative, executive and judicial branches of power of fundamental importance. (This, incidentally, is a cardinal point of the constitution's concept which was submitted by the minister of justice and adopted by the National Assembly at its last session.)

Politics First of All

The basic task is to search for a way out of the present crisis, both political and economic. These statements from the platform are well worth considering: "We must call forth purposeful will and deliberate action from the troubled flood of complaints...The silent masses, cut off even from the formulation of their interests, must be given the opportunity to speak."

Much debate preceded the adoption of the platform draft. And that this document is still called a "draft" indicates that the debates have not yet come to an end.

Certain tasks were assigned to the new presidium with the stipulation that, in accordance with democratic "rules of the game", it must give a report to the next national congress.

One question which remains unresolved and which has stirred much debate at the national congress is whether the MDF is a party, a movement, or both? Numerous delegates voted for it to become a party and at least as many supported its continuation as a movement. There was no agreement even in the question of whether members of other parties and organizations could also be members of the MDF at the same time. On the other hand, there was consensus that members of other parties could not hold offices in the MDF.

In the end, indications are that sooner or later (but probably only after the party law goes into effect) the new party will be formed and the movement will continue as well. (This is rather unusual, almost unique in Hungarian politics. However, it would be an insult to draw a parallel between the only such previous effort in 20th-century Hungarian politics and the MDF's attempt.)

By an overwhelming majority of votes, the national congress set an early deadline on the following: "a 2-month deadline was assigned the new presidium to work out the organizational conditions for two-directional functioning and to present its proposal to a later national congress for adoption."

Also included in the platform draft is that "those working for and holding offices in the judiciary and in armed organizations should not be members of any political party, and no political party or organization should maintain armed forces." And, as a quasi addendum, it states: "The MDF rejects all forms of force."

In the economic sphere, the MDF stands for mixed ownership, emphasizing that it will not accept a monopoly of either a state conglomerate or of private capital.

Open Doors

In following with attention the 2-day meeting of the Hungarian Democratic Forum's national congress (attention was made possible by the MDF's special daily paper published during the congress, providing detailed reports for those not present), it can be stated that almost all the issues were strictly political. On the one hand, this is natural, for the MDF was formed only a year and a half ago; on the other hand, this is too little. For it can be expected of a serious organization (and the MDF certainly is one) that it should do its utmost, by all the means and methods at its disposal, to help solve the country's present economic problems.

But this pertains only to the national congress and least of all to the leadership. Again, it was Zoltan Biro who said that platforms for individual areas are in progress. And, regarding the finished platform draft, it has these statements:

"State budgeting should not assume an economically-distorting role, should not reallocate revenues from profitable enterprises to those showing deficits. Its revenues should determine its expenses instead of determining on the basis of expenses excessive withdrawals, taxes and contributions that make even the simple replacement of labor and capital impossible."

The platform draft also contains numerous proposals which, we can say, are forcing an open door. (Or perhaps not, after all? For example, "the institutions that isolate the national economy from the world market must be abolished." Everyone agrees with this in theory! In practice, however, there are actually still many obstacles, primarily the bureaucracy, which are "ripe for abolition".)

Of course, we cannot undertake reviewing every detail of the platform draft, much less commenting on them. Quite a number of experts with comprehensive ideas on economic and social issues have joined the swelling movement. They are carefully working out and discussing these ideas. And it does indeed matter when they do this if only in light of the principle that "two heads are better than one" or, even more so, of a democracy in which every opinion is given consideration because the country needs as many sensible proposals as possible, as soon as possible.

A Comprehensive Debate

"It is desirable that members of the movement continue to think about this platform draft, not only along the customary lines (i.e., the economy and politics) but also along earlier impulses of Hungarian thinking. We wish that, with the determination of each of us, ideas such as Hungary: country of gardens, cultural environmental pollution, ecology, and national survival would also be dealt with in the final draft." These are the closing lines of the platform draft's text.

The presidium is awaiting comments about to the debate; no doubt large numbers of them will arrive. There will probably be some among them that are far removed from reality or are unrealistically radical just as there were at the national congress. But neither of these are characteristic of the MDF which is, much rather, characterized by a "neither-government-party-nor-opposition" thoughtfulness.

The Hungarian Democratic Forum has grown into a national organization but the capital dominates in it nevertheless. This is also reflected in the composition of the new presidium: nine of its fifteen elected members live in Budapest or its vicinity.

The 2-day national congress displayed much uncertainty, reflecting the nationwide situation. But this movement may also contribute to a stabilization. The intention for it exists.

Hungarian Peasant Party Organization Meeting Held

25000125b Budapest MAGYAR HIRLAP in Hungarian
14 Feb 89 p 4

[Article by Gador: "Hungarian Peasant Party Will Hold Its Organization Meeting"]

[Text] "Will the National Peasant Party hold its organization meeting"? This was the question that the between 150 and 200 persons, most of them over 60, asked Saturday [11 Feb 89] morning, as they arrived in the assembly hall of the Raday Students Dormitory. Sociologist Csaba Varga, who chaired the meeting of the Peter Veress Society, claimed that these delegates had arrived to represent their 14,000 to 15,000 fellow members. But these high membership figures aroused skepticism in some who glanced at the scattered empty seats in the hall.

The participants, most of them politicians and members of the National Peasant Party of 1948, greeted with applause an announcement by Laszlo Konya, the society's secretary, that the Peter Veress Society rejected—in the same way as the Hungarian Democratic Forum had done—the New March Front's latest proposal, because it was "injudicious to replace a badly run and ineffective organization with one that would be even worse and less effective." Janos Marton outlined the society's agricultural theses, according to which the society is treating agricultural policy and rural-development policy as an integral whole, because man and his attitude to the soil were the most important factors in the production process. The retired director general of the Agricultural Economics Research Institute and the society's deputy chairman professed his support for the free sale and purchase of farmland and declared that land had to be placed in the possession of those who were able to farm it the most effectively. The forced breakup of the existing forms of large-scale farming would be unrealistic and useless. Let there continue to be cooperatives, but ones where the membership alone determines all elements of management and farming.

The society wants the establishment of an agricultural bank and of an agricultural insurance company so as to create a flow of capital free of the power structure's influence. It is also urging the creation of an Agricultural Chamber, to serve as a suitable organization for market regulation. And, of course, the society also wants real representation of interests, instead of the "synthetic representation of interests" at present.

Together with all this, the society feels the need to organize a political party that offers a more full-bodied political program. Not the [reorganized] National Peasant Party, but a Hungarian Peasant Party that continues the intellectual heritage of numerous creative personalities—from Laszlo Nemeth and Gyula Illyes, through Istvan Bibó, to Ferenc Erdei—and is the direct heir of the National Peasant Party of 1948, and the Petöfi Circle of 1956. The Hungarian Peasant Party is willing to cooperate with political organizations whose ideologies are close to its own—declared Laszlo S. Hegedus, the Peter Veress Society's chairman.

The party is populist and nationalist in its nature. Its program is integral—covering in addition to agriculture also industry, trade and education—and calls for social reforms. The emphasis, of course, is on self-sufficiency and sovereignty in every respect. The party believes that income should accumulate where it is created. According to the party's program, the state's income-redistributing function will be curtailed considerably. The program wants to establish a market economy that society oversees, and where the citizen as a "subject" becomes an "informed" citizen. The program's main pillars are Hungarian national awareness, the family, religious freedom and freedom of conscience. The Hungarian Peasant Party wants a peaceful and cooperating Europe and does not question Hungary's participation in the Warsaw Pact.

Lively debate followed the report. Many of the contributors to the debate departed from the presidium's standpoint by favoring the formation of a party more distinctly agrarian in its character. From the debate it nevertheless emerged that the populist and nationalist ideology, and the emphasis on agriculture's interests provide a suitable platform on the basis of which the Hungarian Peasant Party could even form a coalition with the Smallholders Party, the Bajcsy-Zsilinszky Society and the Hungarian Democratic Forum. The indications are that the range of ideas known as populism for decades is an acceptable common platform for many political groups. One wonders whether also urban thinking may eventually become a similar unifying force?

Documentary on Recsk Prison Camp Reviewed
25000205b Budapest NEPSZAVA in Hungarian
13 Apr 89 p 6

[Film review by Ilona Gantner: "Recsk 1950-1953"]

[Text] Before viewing Livia Gyarmathy and Geza Boszormenyi's documentary I was overly conceited and thought that I knew everything about Recsk. Because in recent months I leafed through, and read reports and studies concerning the Recsk inmates' camp. I visited Recsk several times: the place where only rusty remnants of barbed wire appear below the overgrown shrubbery mess, and the brown steepness of a stone quarry wall serves to remind of horrors past. I knew, and I know the confessions of former prisoners escaped since to all parts

of the world. I am aware of György Faludy's story too. Once he stepped across the Austrian border he jotted this note into his diary: "What an odd homeland. One sighs with relief when one gets out of it."

And yet, now it's different. Now that I saw Livia Gyarmathy's and Geza Boszormenyi's shocking and moving documentary, I repeat and repeat like in an anxious nightmare: Nothing. I knew nothing about Recsk. This is so not only because there is a difference between words and pictures. (The face of the confessing prisoner, the frightened quiver of his eyes, and the red scar on his wrist which preserves the memory of being tied up in the past prove more than the written word.) Actually, this movie made me understand the essence of Orwellian double thought; the possibility of "simultaneously maintaining two contradicting opinions which mutually negate each other, and of believing in both. To use logic to counter logic. To reject morals when one invokes morals. To believe at the same time that democracy is impossible, and also that the party is the guardian of democracy..." Except for the monologue of former prison guards, the Recsk movie clearly reveals that it made almost no difference whether convicts were placed behind barbed wires on trumped up charges or for the actual commission of crimes. After all, the social system which held as its slogan the goal of "elevating the formerly dispossessed" had to protect primarily its own order against real or potential "enemies." In other words, even today some former prison guards whose voices can be heard in the Recsk movie—and who, in a certain sense, also may be regarded as victims—consider self-justification as most important. That is: Even today these guards do not care whether they were correct then and there. What they care about is the belief that at the time they were correct. And having heard and seen this harassed, continuous search for self-justification, and a conduct ignorant of debate and doubt, I could feel only that the power structure called personal cult based its functioning also on this existing or possible human self-deceit. And if the situation permits, it could be functional even today!

It is possible that my anxious thoughts were also motivated by a television program I have seen. Not too long ago I listened to the spokesman of a "party regular" organization. In addition to voicing some reform rhetoric he had this to say: "Why so much talk about Recsk? Let's discuss the arrowcross people, the ones who shot into the Danube this or that many people."

My God, what an impossible, insane pairing of tragedies! As if one could justify (or neutralize) subsequent tragedies with the horrible, disgraceful acts of 1944! Such as the conceptional trials and deaths of the 1950's. Because the most horrible aspect of Recsk is that they tried to build "walls" precisely at a time when many believed that the barbed wires around concentration a prison camps had been torn down forever.

"Reck was so senseless that even today one cannot fully comprehend. ..." Geza Boszormenyi said. As a university student he survived the horror of internment, but is really unable to free himself of memories of unjustified, senseless humiliation, even after the Laura movie, the Gyorgy Faludy portrayal and the present, three and a half hour documentary. How could a person forget disgracing situations? The fact that "he lost his independence, and that he had to be afraid," and that like in Kafka's perception, each day he depended on someone?!

This movie of Livia Gyarmathy and Geza Boszormenyi is a shocking, frightening documentary. (One would prefer to sneak out of the theater with closed eyes, looking at no one, and with a feeling of guilt.) Even though the movie avoids the forceful, intentionally upgraded pictures that cause "shock..." I can say that the directors, and cameraman Ferenc Pap record the confessions of former prison guards and of former prisoners with respectable modesty and sincerity, by staying in the background. The confessions, and the history of, and the preamble and postscript to the cruel years at Reck. (Because this excellent, to the end moving documentary recites the entire era. The political antecedents of the Reck prison camp, and its effects and consequences which can be felt even today.)

"The end justifies the means," according to Ignatius of Loyola a long time ago. "because in order not to get lost ever, man must insist that the white color he recognizes is black according to his faith, if the church hierarchy judges it to be black."

This excellent documentary directed by Gyarmathy and Boszormenyi suggests and proves the opposite of this fanatic, oft used and applied thesis. It suggests and proves that the ends never and at no time may justify the means.

POLAND

Bender on PZPR Loss of Power, Democratic Heritage

26000391 Warsaw *KONFRONTACJE* in Polish
No 12, Dec 88 pp 10-11

[Interview with Ryszard Bender, Sejm delegate, professor of modern history, Catholic University of Lublin [KUL], and president, Catholic Intellectual Club [KIK] of Lublin, by Jerzy Szczesny; date and place not given]

[Text]

[KONFRONTACJE] Professor, allow me, if you will a bit of the, at one time, very popular Marxist poetic. Thus, as also emphasized in the USSR, the current production indexes are not keeping pace with the level of production forces. As we read in the at one time famous "Philosophical Dictionary": "There follows a period of sharp social and economic as well as political intrainformational jolts that modify and adjust the production

indexes to the new production conditions or a period of general crisis of a given social structure and its undoing as a result of social revolution..." Thus, what are we threatened with: a modification of the system or revolution?

[Bender] As a Catholic, I am not a follower of Marxist established patterns. I would go as far as to say that quite the contrary is true for me. Nonetheless, the prognosis quoted by you seems to be accurate. Because we are threatened with revolution, it is high time for the radical modification of our present system, particularly since the patience of our people is running low.

[KONFRONTACJE] To the point of a revolution?

[Bender] The pauperization of a significant part of our population is reaching its zenith whereas the difficulties of daily life appear to surpass that with which we have dealt thus far. The crisis has lasted for years and is intensifying despite the irritating assurances of the government spokesman who has announced the end of the crisis. Recently, store supplies even of such articles as sugar and cheese, not to mention meat and cold cuts [wedliny] are reminiscent of a country following a huge bombardment. Gradually but systematically we are drawing closer to triple-digit inflation; a part of our youth who are the most enterprising and best-educated are leaving the country whereas those who stay gnash their teeth. Are these not the symptoms of the threat of serious disturbances which can only be prevented in our country by a radical change in the current system of government and management? Otherwise, revolution is inevitable. We must pray and do everything possible so that there will not be bloodshed.

[KONFRONTACJE] Do you see some sort of simple solution to this complex situation which has been growing for many years now?

[Bender] Not only do I see solutions but I also have been talking about them from the Sejm platform. We must return to the PKWN [Polish National Liberation Committee] Manifesto which all throughout PRL history was an ornament of the system and not an implemented political program. In this Manifesto we read, for example, about the equality of three sectors: the state, the private and the cooperative sector. We all know very well and feel the effects on our own skins of what this equality has been like for the 40 some years of the existence of People's Poland.

[KONFRONTACJE] Some only feel this on someone else's skin...

[Bender] And these people must leave if they do not want to be about tragedy. To return to the Manifesto: it declared equality of the agricultural sectors and the basing of the agricultural economy on strong peasant farms of up to 50 hectares, and 108 hectares on Reclaimed Territories. What do these declarations have

in common with the misery of three generations of farmers oppressed by mandatory deliveries, taxes and especially the lack of the means to carry out work?

And where is the small and medium-scale industry which according to the PKWN Manifesto was supposed to fill the starving market following the war? Let us, therefore, not look for the solutions in complicated, theoretical mechanisms but let us turn toward the simplest solution—human enterprise, private enterprise of our citizens whose welfare is the preliminary condition for the welfare of the state.

[KONFRONTACJE] This trend of thought appears to be in effect currently.

[Bender] It may appear that way to many but such is not the case. Otherwise the crisis would not have lasted for some 7 odd years already. There have been various crises throughout history that have affected various countries. And it took several months, a year, and at the most 2 years to pull out of these crises. In our country, on the other hand, there is no end in sight after 7 years because during this entire time we have had administrative directives, economic theorizing and, in point of fact, the creating of fiscal shackles imposed upon individual initiative and citizens economic initiatives. Let us take the cooperative movement by way of example. What changes have taken place in it? None. Central associations that, in point of fact, are state management boards continue to exist whereas the establishment of a cooperative, which is, after all, a socialist form of management, rises to the rank of a regional, political disturbance.

[KONFRONTACJE] However, the central headquarters is declaring its support of entrepreneurship and economic initiatives.

[Bender] Indeed, but these are—and let reality attest to this—only declarations. What do cases involving people with initiative, who are disheartened and quoted in the press time after time, attest to? In Poland, we currently have not only inflation of the zloty but also an inflation of words and relevant slogans which, as can be clearly seen, cannot replace a real market. What is most irritating is that we have a splendid opportunity for healing the economy. There is a program, there is tradition and a favorable climate. I have already mentioned the program—if only the PKWN Manifesto treated seriously; we have our own and foreign traditions, if only to mention the NEP, whereas the climate of the “perestroika” offers a great opportunity to create a planned, normal market economy from one that is unrealistic.

[KONFRONTACJE] Do you have any idea how many people will lose their jobs?

[Bender] Do you feel sorry for them?

[KONFRONTACJE] Not in the least. They are the ones who are causing the continuation of the old system among loud shouting for the reform.

[Bender] I have stated in the Sejm that already at this point no one in Poland believes in the reform. Its third and successive stages may be announced on condition, of course, that the public will have enough patience. The opinion seems to be increasingly dominant that it is impossible for the country to pull out of poverty without political changes at least in the system of governing. A new premier and changes in the government is already something but not everything.

[KONFRONTACJE] The banner of political changes is perceived in some circles of the establishment as an attempt at taking away power from the ruling party. Outraged voices can already be heard at meetings of various echelons of the PZPR aktiv claiming that “the party is giving up its power.”

[Bender] Such claims can be made only by people with Stalinist origins raised in Bierut's, Berman's and Zambrowski's school—people who are impervious to the signs of the times and will not accept that which is happening in countries with realistic socialism, thus, in particular in the USSR. In the PZPR, besides the clearly proreform movement, which does not expose itself enough, there continue to exist pro-Stalinist forces made up of the entire rank of comrades who felt their best under conditions of an accelerating class struggle and today they long for those good old days which were good for them only. It is an internal matter of the PZPR to solve this problem and not my place to give remedies for it. However, as a citizen and Sejm deputy, I must say one thing: this intraparty problem has a bearing on the situation of the entire nation. Why? Because the Stalinist spheres in the PZPR are slowing things down and at times even thwarting the reform actions of the party as a whole which, whether we like it or not, does in fact hold power in our country.

[KONFRONTACJE] And it fears for this power.

[Bender] Without cause. Poles are capable of combining romanticism with political reality despite convenient set patterns which question this capability. The present government has the army, the militia and the means of coercion or persuasion at its disposal and no responsible person will want to deprive the authorities of these real attributes. Do British socialists in criticizing—and how!—the government of conservatives want to turn the monarchy into a republic? Just placing the issue for consideration smacks of absurdity on the Thames. And why not on the Vistula? What is of importance here is for the government, which for various reasons is incapable of providing material comfort for its nation and its citizens and which 40-some years after the war is forced to ration meat and gasoline, to agree to cogovern with other political spheres.

[KONFRONTACJE] What do you mean by "agreement to cogovern"?

[Bender] This means consent for the presentation of an alternative economic program created by the opposition spheres. It is they who should be entrusted with this because the economic concept of the current governing spheres has been resulting in constant market shortages. Recently, there has been a shortage of winter shoes, socks and tights. For a long time now, there has been a shortage of sanitary products, medicine and vitamins. The alternative economic program must be presented by the opposition since the government is not doing this. On the other hand, the government should adopt this program and place it into effect to save the nation from poverty and the state from destitution.

[KONFRONTACJE] When should this take place?

[Bender] As soon as possible since one of the many traits of the Polish crisis is that we are most often too late with the most sensible initiatives which, in any case, may be an illustration of the adage which speaks poorly of our nation: "A wise Pole after the fact" ["Madry Polak po szkodzie"]. We have had more than our share of such detriment caused by improper action and public patience is running on low.

[KONFRONTACJE] Professor, do you have some sort of political concept to check this depletion of patience?

[Bender] Things cannot be allowed to come to the point whereby the creation of normal political life would be replaced by a makeshift. Besides the formation of the kind of associations that our country's citizens desire; besides Solidarity which should regain its rightful place in the pluralistic union movement and finally start to function officially, we need not only the currently existing political parties but also new ones, particularly those that have rich traditions from the time of the Second Republic. I am specifically thinking here of national and Christian-democratic parties.

[KONFRONTACJE] Totalitarianism and anti-Semitism are also part of national democracy.

[Bender] What matters is not that all the past trends along with the sufficiently discredited totalitarian or anti-Semitic inclinations be currently incorporated into the system. It is never the case that an entire past tradition of some political group is adopted by the following generations. The communists have also rejected from their tradition many anachronic trends and views, if only to mention Roza Luksemburg's well-known assertions on the national issue. Therefore, what matters is not to take what was bad from tradition when referring to it but to take what was good—that which can currently be used for the benefit of the state and the nation while organizing a common vision. The national and Christian-democratic parties in the Second Republic presented this trend of political thought which embodied

values that today are extremely important and needed. Thus, political reality, respect for the state and a civic sense of duty for government work. The political programs of the Labor Party, which, after all, also existed during the time of People's Poland and which fell victim to Stalinist-Bierut political terror, were based on realism, on the one hand, and the principle of the common good on the other. These two fundamental values will be very important to us when we implement a substantially radical, market economy reform. Therefore, I believe that an effective political compromise leading toward the country's emergence from the serious collapse is possible only under conditions of a normal system of political powers in the country. Every other kind of compromise will be a shaky compromise.

[KONFRONTACJE] And you are not afraid, Professor, of the collapse of the present system of government; of chaos and widespread anarchy resulting from the lack of positive substantive solutions?

[Bender] No. Because a genuine and not concessionary political pluralism will be the immediate result of a positive program. As long as the political aspirations of society are pushed beyond the limits of legality or formality, thinking along the lines of destruction is dominant. At the moment that they [aspirations] secure an official possibility of publicly manifesting themselves, they either become constructive or they die. This is how it is, for example, with NZS [Independent Association of University Students]. College youth, who are currently very disgruntled, should be won over as soon as possible for civic work on behalf of the nation. Can this be attained by blocking the registration of NZS and condemning a large percentage of youth fighting for their organization to a continual push and shove with the government? Is it worth defending this blockade by pointing to an allegedly negative NZS program? Rector Grzegorz Bialkowski is 100 percent correct in claiming that only an unregistered NZS presents a negative program out of necessity. On the other hand, a registered NZS will present a positive program as early as the next day or also the very next day, it could die a natural death.

[KONFRONTACJE] However, a positive program is needed at the highest level—at the government level. How can this be achieved?

[Bender] The roundtable can be the start of such a program. However, it must become a permanent table.

[KONFRONTACJE] Perpetual talk frequently destroyed respectable political ideas of Poles throughout history.

[Bender] Yes. That is why I feel that things should lead to the creation of a small in number but representative Committee for the Improvement of the Economy and the Treasury as a direct result of the roundtable. It is worth taking advantage of the lessons of history. In 1923, such a committee was formed and its effect were the

reforms of Wladyslaw Grabski. It should be emphasized, especially today, that these were swift reforms. Such a committee should be endowed with genuinely extraordinary full powers.

[KONFRONTACJE] Will there be public consensus for them?

[Bender] Since all the sides of the current conflict among Poles claim that changes—radical changes—are indispensable, such a consensus undoubtedly exists.

[KONFRONTACJE] Even at the expense of further sacrifices and the lowering of the standard of living?

[Bender] I feel that if there will not be other ways, then yes. Because looking at things realistically, we are doomed to a consensus. Several weeks ago in Paris in an interview for the Catholic newspaper, *LA CROIX*, I stated that strikes will break out again with doubled intensity if it does not come to a political compromise and a consensus and if this does not assure a healthy market economy, free of political supremacy on both sides.

[KONFRONTACJE] This supremacy is, nonetheless, a trait of the system.

[Bender] And we must break away from it just as we have moved away from many traits and dogmas of the system that did not prove themselves. Economics must finally stop being subordinate to ideology. Professionals must manage state factories and cooperatives and not politicians, especially not the kind of politicians whose only policy is to have concessions in warehouses that allocate raw materials for production as well as good rapport with committees that explain shortcomings with objective factors. Let us finally set things straight: the current economic mire is the direct result of the domination throughout the entire postwar period of ideology over the economy. We must break off with this undesirable and costly for the nation tradition if, of course, we want to get out of this mire.

[KONFRONTACJE] Recently, you made the proposal from the Sejm platform of a meeting between Gen Wojciech Jaruzelski and Lech Walesa. The reaction of the [Sejm] Chamber was not that of approval.

[Bender] Part of the Chamber, undoubtedly, did not approve. Some laughed during my speech. May God be with them for it turns out that the rate of changes in the awareness and attitudes of the sides of the Polish conflict as well as the rate with which we are sinking into the crisis does not reach everyone. Its extent, time of duration, and pressing need for change is without precedent in the history of the PRL. That is why I feel that every attempt at employing unconventional remedies for the current situation; every attempt at reaching a compromise in the vital issues to the state and the nation gives

rise to hope and should be taken advantage of. I presented this proposal in the deepest conviction that a meeting between the chairman of the People's State Council and the first Nobel Peace Prize winner of our times could rouse the nation to undertake a great effort. As a citizen of this country, Sejm deputy and, finally, a historian, I have the right to believe that such a meeting would bear fruit for Poland in the form of increased power and importance, a surprise for foreigners and the opening up of great promise for Poles themselves and that this would be the beginning of a momentous turning-point which should finally be implemented. Social stagnation, standing in place is much more dangerous than being ahead of the situation with sound, bold political and economic solutions.

Roundtable Subgroup Participants Present Different Agendas

26000403 Warsaw *POLITYKA* in Polish
No 9, 4 Mar 89 p 4

[Article by Krzysztof T. Toeplitz: "From Different Angles Toward One 'Subtable'"]

[Text] The roundtable—which is, we know, already an entire collection of "subtables," or "subgroups," concerned with individual concrete problems, subgroups which are commented on daily by their participants in appearances before the television cameras—has already gone beyond the sphere of general declarations of goodwill on objective problems. That is why so often notes of irritation, resentment and impatience crop up in the television commentaries delivered by the spokesmen of the opposing sides sitting at the "table"; it is easier to say that agreement, consensus and new relations are wanted in the country than to agree on what this new order is supposed to look like specifically.

Naturally, this also applies to the subgroup concerned with the mass media—the press, radio, and television. Many participants of this "subtable," especially those on the side called "Solidarity-Opposition," describe it as crucial for general agreement at the "big table." For if a compromise is to be reached at the "big table" regarding new, nonconfrontational elections to the Sejm and the presence of new organizational units in the country's sociopolitical life, associations, social groupings and trade unions, including "Solidarity," then how the respective sides will be able to present their arguments in the elections campaign, or how the new social organizations will be able to present themselves for public scrutiny, will depend on the results of agreements concluded at the "subtable." But this connection between the "big table" and the "subtable" is two-sided: If no basic agreements can be reached at the "big table"—which appears to be highly improbable—then much of what is being talked about at the "subtable" has to take a different tack.

Areas of Agreement

Exactly—take a different tack, which does not mean to have no definite purpose. Because as someone so correctly remarked during the talks, there can be no return to the situation which existed prior to the roundtable—for either side. And especially as concerns the restructuring of the information system. For on the one hand, the legal information system—and all of the “subtable” participants admit this—made a great effort recently in the direction of openness, sincerity, versatility, and “pluralism” of viewpoints in all its forms, from which there is no intent to retreat. On the other hand, the now-public awareness of the “Solidarity-Opposition” opinion simply became a fact which can in no way be erased.

In addition, this “Solidarity-Opposition” side appeared in a new face—as people who want to talk and who are worth talking with. Not long ago Maciej Iłowiecki and Jacek Moskwa, members of the “other side,” in “subtable” talks, referred—in an interview for Radio Free Europe—to the negotiations which took place between the government and Solidarity in 1981. I, too, heard the talks which took place at that time and can confirm the fundamental difference in the climate of both meetings. Eight years ago Solidarity presented itself as an aggressive opponent, sure of early success, treating all agreements as more or less temporary, before the current system of authority had been eliminated from play. Now, as a result of changes on the side of both the opposition and the authorities—which must be emphasized because both sides worked equally hard to bring about the present meeting—one gets the impression that the talks, although difficult and sometimes vehement, are on a partnership basis. And their final goal will be a permanent, stable arrangement, making long-range coexistence possible within the framework of a democratic system, based on the conditions that exist today in Poland and throughout the world.

Of course, this new, promising attitude does not mean that the mutual distrust will immediately disappear. The “coalition-government” side remembers a climate in which at any moment it could have been hauled out on stretchers by its adversaries. The “Solidarity-Opposition” side remembers martial law and all of the consequences connected with it. This understandable mutual distrust makes it difficult to arrive at agreement even in those matters on which both sides agree not only verbally, in the area of general declarations, but also factually. Both sides still carefully examine the other's offer, put it under the light, looking for hidden motives. These “X-rayed” offers include, for example, an offer made by the “coalition government” to the “underground” press to come to the surface and begin to function out in the open, publicly. The press law is to be amended so that the basis for undertaking publications operations will be not, as heretofore, a license for such activity, but the simple act of registration. Nor does anyone deny the obvious fact that the existence of new associations and

social groupings without their own press would be the creation of “mute” associations. And this also applies to Solidarity, which, if it is legalized, must be restored its press organ, the Solidarity weekly and, as its structures expand, regional periodicals. The postulate for a daily for the broadly interpreted opposition—meaning not just Solidarity alone but the broader spectrum of opposing and critical attitudes, must also be considered, certainly, if everything goes well, starting next year. The repeating, by the “Solidarity-Opposition” side, of these matters in the form of postulates suggests a disbelief: “Do you really believe this?” Despite the fact that the “subtable” has not completed its work, I think this is the breaking down of doors which are already open.

Demands for changes in the censorship system are a similar breaking-down of open doors. Both sides, although each for probably different reasons, see the drawbacks in the present system of the control of the press and publications, but they submit different proposals for solving this problem. It is interesting that the proposal from the “coalition-government” side is more radical, for it suggests that compulsory, preventive censorship be eliminated and replaced by a so-called subsequent censorship, consisting of control and possible sanctions after the publication has appeared. A similar system of censorship functioned in Poland before the war. The opposition is of the opinion that this system could function after the courts obtain full independence, but until this happens it would be satisfied if the 1981 law were restored, without its later amendments (including those introduced during martial law). I do not believe that that which was good in 1981, i.e., in a climate of sharp confrontation, would be unacceptable in 1989. Censorship also involves the matter of the circulation of foreign newspaper and magazines, i.e., the bringing into Poland of foreign publications, which up to now has been settled quite arbitrarily by the customs offices and border controls. The government side believes that bans regarding this should be removed, but only in reference to one copy brought in from abroad (i.e., for personal use), not in reference to large quantities suggesting sales or mass distribution. This appears to be prudent because, after all, large amounts of publications should be subject to some kind of regulations, if not censorship then at least the rules of commerce, just as other imported goods.

Areas of Dispute

But there are also areas of dispute for which solutions are not that obvious—even though admittedly many agreements, I believe, lie within arm's reach—but with the goodwill of the partners this is completely possible by way of compromises. The first point here is the matter of paper. The opposition, and also some of the allied factions, is of the opinion that an enormous quantity of paper has been seized and allocated for publications printed by RSW “Prasa-Książka-Ruch” Workers Cooperative Publishing House, connected and managed by the PZPR. Despite the fact that this publishing house

also prints a large number of publications of a nonparty character, and even the so-called pluralistic ones, i.e. representing other than party viewpoints, because of RSW's enormous predominance over other publishing houses it is regarded as being a party monopoly. The government side argues that the paper used by RSW is not an abstraction but that these are concrete newspapers, periodicals and other publications. If some of this paper is given up, then something has to be eliminated, some newspapers or publications. But which ones? The government side is ready to obtain additional paper for the Solidarity weekly, and possibly an opposition daily, and even increase the allocations for the Catholic press, however it believes that the matters of RSW, which is, after all, a cooperative, are its internal affair, as are the matters of those publications which are affiliated with RSW and which it publishes.

Regardless of how this dispute ends, it is clear that we are simply talking here about dividing up poverty. The real solution is not to scramble around trying to divide up this miserable quota of paper, but to increase it through imports, production, and finally, by "marketizing" (allowing the market to determine) the sale of paper and the use of printing facilities. In this "marketization" we see—in a certain sense on both sides—a remedy for publishing troubles, in which I, as a private individual, but sitting at the "subtable," see real dangers. Day after day we watch how the raw mechanisms of economic reform applied without any modification to the area of culture, of which the press and the publishing houses are a part, produce measurable destruction and harm. It is entirely possible that the period which in the history of the economy will possibly be recorded with praise as a period of revitalization, in the area of culture will be noted as a period of the ultimate destruction of its infrastructure and the shutting off of access to culture for the working person. This sounds gloomy, but these are the facts about which we should be screaming loudly right now. As regards paper, we need more paper factories and printing facilities and, certainly, social control over its use not only in the field of the press but also in the area of book publishing. I personally offer my vote to everyone who puts forth some kind of reasonable plan.

The Bone of Contention

The matter of radio and television is also a bone of contention. This was not difficult to foresee—I wrote about it in the column "Before We Quarrel," and we are already quarrelling. The option of the opposition side comes down essentially to portioning out the independent—thus uncontrolled by the management of Polish Radio and Television (PR&T)—antenna time into separate "windows," which will be under the command of Solidarity, other opposition groups, trade unions, etc. The representative of ZSL also declared that his party does not want to be on television "through the good graces of the PZPR." The government side offers all kinds of versions, including a religion and trade union reporting staff, participation of representatives of the

opposition in the PR&T Programming Council and the press council under the premier, the broadcasting of a mass, directed and uncensored broadcasting of the meeting of the future Sejm in which the opposition will already have its representatives, and finally, a third program on television and a fifth program on radio which will be regarded as "citizens' programs," for the unions, associations, churches and other political parties. It also refers to the broadcasting of the roundtable itself by television as an example of the freedom of speech for everyone, which must be maintained. (This is one of the results of the roundtable which cannot be reversed in the future, regardless of what happens.)

This is no small offer, but in exchange the government side defends the integrality of the radio and television program which is under one management. Personally I am not able, nor do I want to imagine a radio and television program divided into many parts, each contradicting the other, under the aegis of dozens of producers and internally fragmented. There is a fundamental difference between an honest presentation of different and also conflicting opinions and the objectivism of information, and the splitting up of radio and television broadcasting. Mrs Jankowska, radio journalist now working with the opposition, correctly states that we should develop our own, Polish formula of radio and television. I think that such a model should not be television which is internally fragmented, but one in which a real mechanism of social control will function—socialized television. Personally, I opted for state and not government television, under a parliament and controlled from the outside by a parliamentary body affiliating all participants of political life—those that belong as well as those that do not belong to those exercising the authority of the coalition. I noticed that this model of state television appears among the postulates submitted during the course of the deliberations by ZSL. Other elements of the "government-coalition" side lean more toward the government television model, with its built-in mechanism of social control, like the aforementioned Programming Council, for example, and others.

I think that to get down to the essence of this dispute we should ask ourselves one basic question: In looking towards the future, do we imagine—regardless of the "sides" which are not sitting at the "large table" and "subtables"—the nationwide and statewide goals which we will have to achieve jointly? I believe such goals exist, for example in the area of economic reform, international policy, environmental protection, health, social morality, etc. None of these goals can be achieved without discussion and without taking into account all positions, as well as without concentrating all means of social persuasion on these particular goals. Because none of them can be achieved without sacrifice either on the part of society as a whole or its groups. We can tell ourselves all kinds of fairy tales on the subject of the objectivism and "impartiality" of all kinds of foreign radio-television bodies. But really they are all directed—although in an incomparably more precise and shrewd

way than in our country—at confirming some convictions and eliminating others. In short, at deliberately exerting social influence. Anyone who does not believe this should read the elementary western sociological literature (e.g., Packard's "Hidden Persuaders"), the newspapers of the Frankfurt school, or even my modest little book, "Edinburgh Studies," which is not entirely original because it is based wholly on the results of British studies published by British sociologists. What is important, therefore, is that the "hidden persuasion" conducted by our radio and television system express those goals and intentions which guide the forces which assume responsibility for the future and the reconstruction of the country. It is on this ground, I believe, that we should seek agreement.

Finally, the last area in which passion plays a part at the mass media subtable is the area of past wrongs. The participants of the subtable attempt to avoid this area, but it appears very sharply in the postulates of the "Solidarity-Opposition" side, mainly in connection with the period of martial law and its consequences. There is talk about personal injustices, moral injustices, and the falsehoods spread regarding Solidarity. On this matter one can only modestly note that much of what was said and written about the intentions, stances, character, moral values, etc. of many persons sitting at the coalition-government side of the table by the underground press and in opposition-inspired broadcasts, by foreign correspondents who were supplied information by the opposition, and spread in the gossip which the opposition inspired—should also fall under the category of "falsehoods." We can note this, but what for? In the end, we have come from many places to this subtable, leaving grudges and animosities behind.

Historical Society President on Research, Interpretation Trends

26000396 Warsaw POLITYKA in Polish
No 10, 11 Mar 89 p 10

[Interview with Andrzej Ajnenkiel, president, Polish Historical Society, by Wieslaw Wladyka: "When the Past Comes to an End"; date and place not given]

[Text]

[POLITYKA] Professor, the Polish Historical Society is preparing for the already 14th successive general conference of historians. These conferences have always been great events of interest not only to historians. They have attracted the attention of politicians if only to mention one group. We remember, for example, the conference in Lublin in 1969 or the one in Katowice in 1978... What will historians be dealing with at the conference in Lodz this year?

[Ajnenkiel] Yes. Our conferences are an opportunity for reviewing research studies and the register of not only scholarly but also social accomplishments. Their purpose is also to integrate the community: scholars, teachers, so-called history buffs as well as those who want to maintain professional contact with us. It is estimated that approximately 2,000 people will take part in the conference. This year, we will concern ourselves, above all, with three important subjects; thus, the 200th anniversary of the French Revolution and in connection with this, the problems relating to the Constitution of 3 May; urban centers—to a certain extent because of Lodz, the site for the conference; and in connection with the 50th anniversary of the outbreak of World War II—the issue of war and peace.

[POLITYKA] Do you not think that the most important subject for our awareness is missing, i.e., the history of Poland after 1944?

[Ajnenkiel] But we want to organize symposia devoted to this latest history. We will discuss the history of the press and the social and political changes after 1944. One of the symposia, organized by the Modern History Committee, carries the title "Sociopolitical Processes in Post-war Poland—Continuity and Change." Others will concern themselves with the problems of the broadly understood concept of culture during the decade of the 1950's. If numbers are of any significance here, then I estimate that 40 papers and reports will pertain to the period following 1944. The final cutoff point of the conference has not been defined precisely. I think we will take up the period extending nearly to the present day.

[POLITYKA] Nonetheless, the historical community is too sluggish in starting to deal with the history of People's Poland. This is all the more unforgivable that school and university instruction imposes specific responsibilities on teachers in accordance with set programs. However, they do not have much to make use of. There are examples of good material but there are also others. Above all, there are enormous shortcomings.

[Ajnenkiel] Historians are directing their interests excessively toward the closed past. We should try, even at the risk of making mistakes and blunders, to deal more daringly with the past. I would think that to a greater extent psychological rather than professional work barriers interfere in this. They are not much bigger than during the period of the Second Republic. Timidness, uncertainty, unwillingness to take risks are significant here. Admittedly, we do have several outstanding scholarly works—it just so happens that the majority of them have appeared in so-called underground circulation or outside of the country—but even they cannot measure up to foreign historiography which boldly penetrates the events following World War II and brings its syntheses all the way to the 1980's.

[POLITYKA] Professor, life does not tolerate inactivity. Since historians are not researching or writing, all kinds of sensation seekers are appearing in their place; authors of easy texts and rash judgments. They make their mark on public expectations because they offer fulfillment. This phenomenon can be understood. However, I would think it is about time that researchers with their professional tools and academic rigors stood up to the competition.

[Ajnenkiel] However, the point of the matter is that the historian must bring certain issues to his own awareness as well as that of the population. My concern is for a realistic look at the origins of People's Poland. It is clearly pointed out that this form of government came about owing to the fact that the Red Army entered Poland in the course of war activity and that without it, it could not have survived. This cover had a specific, Stalinist character. It also had an impact on the nature of the state by limiting its sovereignty. The point of departure must, therefore, be deeper thought given to Polish Stalinism with all of its resulting consequences. Let us keep in mind that these consequences are multifaceted and very complicated. The realization of this must by force of fact shake easily formed opinions as well as school instruction and not only this. And we must also take a look at ourselves, our attitudes, mistakes, blunders, simplifications and lies. After all, these were also present.

[POLITYKA] During the 1980's, the social awareness of Poles changed. I would think that we are all different than just several years ago. Therefore, the professional thinking of historians also had to change—something which is not yet very evident in books. But we have to wait a little bit longer for this. Certain facts from the past appear more important now, others—less important. I also believe that we look at many events and occurrences differently now.

[Ajnenkiel] It is a well-known fact that every generation writes its own history. Today, a historian of economy must also evaluate differently the crisis of the 1930's because he himself has been living in a crisis for a dozen or so years already. To go further, let's take Brzesc. How differently those Brzesc prisoners who survived the war looked at it. All in all, against the background of genocide, the crimes of Stalinism, Katyn, we now judge Brzesc not as we did in the past which, in any case, does not diminish our moral judgement of similar actions. And many other matters, if only to mention trade unions with that prewar Pilsudskiish Trade Union Federation... I believe that the experience with Solidarity makes us look differently at the role of mass movements in history. This is not relativism; everything is a matter of perspective. After all, our September disaster looks different from the perspective of October 1939 and different following the defeat of France and the initial collapse of the USSR in June of 1941.

[POLITYKA] It appears that the current year will bring Poland great political changes. What do you foresee as the president of the Polish Historical Society [PTH]?

[Ajnenkiel] In 1988, there appeared several important books; we celebrated the 70th anniversary of Poland's regained independence. However, historians presented themselves, above all, as citizens. They participated in social discussion about several problems of importance to us: about the beginnings of People's Poland, about Polish Stalinism. They also gave testimony to the belief that it is possible to pull out of a crisis only by way of realistic compromise and the building of a new political system for our country. Today, on the eve of the inauguration of the roundtable discussions, we want to believe that these, our civic proposals, will be implemented. Despite this, as historians, we entered the year 1988 in not the best of forms, let us say, moral—forms. The point of the matter are, of course, so-called blank spots. There continue to exist obstacles preventing historians from speaking openly about issues that in their opinion are capable of being presented in a scholarly and straightforward manner. What irritates me, among other things, are the negligible effects of the work of the interparty committee of Soviet and Polish historians who for the past 2 years have been more or less involved in the matter of these blank spots.

[POLITYKA] The historical community placed a lot of hope on the appointment of this committee.

[Ajnenkiel] We believed that difficulties which impede the speaking of truth about Polish-Soviet relations in the past would be cleared away. And about historical logic which led to such and not some other form of these relations; about injustices.... There are many facts involved here in this the most symbolic of them [injustices] called the Katyn crime in short. It seemed that the committee would attend to this very issue. Not much has come from the work of the committee thus far. I will add that the PTH had declared its willingness already 2 years ago, to engage in a cooperative effort or work in this or some other group—the former having an intraparty character—but, to this day, we have not received any answer. Arguments that, for example, in the matter of Katyn, documents are missing do not have any impact. Whether our Soviet comrades have at their disposal some sort of documents or not, does not, after all, have a bearing on the evaluation itself of the facts or on the image of the facts which, in reality, is not being questioned at this time by any kind of specialist-researcher. Briefly speaking, in the light of the knowledge which I, as a historian who is also concerned with this issue, have at my disposal, there is no doubt whatsoever as to who committed the Katyn murders. I will add that to this day we do not know what has happened to the officers and other persons held in the camps in Starobielsk and Ostashkov who disappeared without a trace at that same time. There is also no doubt in my mind that they met the same fate as the victims of the Katyn graves. The difference lies in that we do not know where the crimes

were committed, although, there is all kinds of circumstantial evidence. That which we call the Katyn issue for short has many aspects. It is not only a question of having it clarified. It is necessary, at the same time, to understand that this issue has its political significance and particularly moral repercussions. Only an explanation and condemnation, and, if only symbolic, punishment of the perpetrators can be instrumental in historically and finally shutting the door on the Stalinist era.

[POLITYKA] Professor, it has occurred to me that perhaps the PTH should step out more boldly now as the representative for the interests of the historical community and even more broadly—as the representative for social interests. First of all, someone must finally demand clear rules of the game in having access to sources being kept in state and nonstate archives, among others, in church archives. Some historians have the opportunity to use collections of a historical nature, if only to mention the MSW [Ministry of Internal Affairs] archives, while others do not. Society has the right to know what kinds of rules govern consent and what kind suppression and historians should demand this openly. Secondly, could the PTH not step out in the role of initiator of the campaign to collect accounts and memoirs that, for example, present the fate of Poles in the East after 1939? And this is the time for it and the last call because the generation that can leave such testimony is slowly passing away. It is difficult to demand that publishers and editors come out with such an initiative whereas research institutes are somehow not eager to do this.

[Ajnenkiel] If we want to eliminate those blank spots, there must be accessibility to archives for all historians according to clear and legible rules of the game such as is customary in many countries of the world. We must address this issue. I also agree with the second point. We shall undertake the initiative of collecting memoirs; we are, undoubtedly, emotionally ready for this. Indeed, some sort of a collective effort should be made aimed at bringing out the sources and analyzing them. How are we to do this; where are we to find the means; etc.? These are things that we should consider. Besides this, it is about time that we speak out on behalf of research communities on other matters as well. Why, for example, is such a heavy tax levied against scholarly works? Currently, their cost is becoming truly prohibitive.

[POLITYKA] The free market which we think will graciously prevail, will require greater efficiency and the ability to defend our own interests but not necessarily private interests, and coming out in the defense of those who are weaker. It would be a dream to have such a nationwide federation of historians that would fight for inexpensive books and access to research material as well as one that would attend to the needs of teachers and school instruction.

[Ajnenkiel] Indeed, we must think about this. You speak of school. Yes, teaching history in school poses a problem. I think that teachers in Warsaw have it the best.

They can teach in an undogmatized manner. Things are different in rural areas. I was in Podlesie recently during the celebrations held in conjunction with the 70th anniversary of Poland's regained independence. An incident occurred over there whereby a teacher was punished for placing a portrait of Marshal Pilsudski in the hall of fame. I asked the school superintendent's office whether it had drawn any conclusions from the changes that are taking place in Poland and what the status is of this reprimand in the light of this. To this day, I have not received an answer to this question.

And another example of what I would describe as the old and perhaps more strictly speaking, Stalinist system of thinking: There was a manor house in Siedlce Voivodship in which during the battle of Warsaw in 1920, Marshal Pilsudski slept along with his staff. The manor was being visited by tours so the authorities ordered that it be torn down. Thus, school instruction and not only school instruction should be dedogmatized and the issue of so-called educational surveillance reconsidered. The fate of the suspended eighth-grade history textbook authored by Andrzej Szczesniak is also symptomatic. It is with great difficulty that we break with the propaganda vision of the past which by force of inertia continues to exist.

We cannot be indifferent to the way history is taught in the military nor to the names of streets in our cities and towns. Should we not return, in many instances, to the old, historical nomenclature? It often attests to our identity and singles out by its distinct character that which the historian describes with the term—"being closer to our homeland." Meanwhile, even here an almost barracks-like uniformity has taken place. We have, for example, been made to enjoy the naming of streets in nearly every town and city after "Felix Dzierzynski," whose name is associated for very many Poles with Red terror during the years of the revolution and in later years, and with the activity of the Cherezvychayka [Czerezwyczajka] and the GPU. I will add that in one of the PTH branches in Raciborz a committee was formed which took up the initiative of assisting the local authorities in straightening out the naming of streets. Through our intervention, this committee will turn, in the very near future, to the appropriate People's Councils with a memorial [petition] indicating the need for restoring the old, tradition-rich names of streets and squares. It will also indicate the names of distinguished Poles, particularly those living in the 19th and 20th centuries who are worthy of having their memory honored by having streets named after them.

[POLITYKA] Professor, historians have been very active in politics and in various communities for that matter, for very many years already. Henryk Jablonski, Marian Orzechowski, Jarema Maciszewski, Aleksander Luczak, Bronislaw Geremek, Karol Modzelewski, Adam Michnik, Leszek Moczulski—these are just a few of the more significant names. How do we explain the relationship between this specific discipline and politics?

[Ajnenkiel] The answer is not simple. Many distinguished historians, our ancestors, were involved in politics in a practical manner, if only to mention Michal Bobrzynski and Adam Prochnik. In addition, many politicians without any type of formal qualifications in this regard engaged in historicizing: Pilsudski and Dmowski and many others. There was not a larger political camp in which historians did not play a significant role. In turn, following World War II, pursuing the history profession was frequently a substitute for politics, more strictly speaking—for pursuing alternative political thinking. As a rule, important discussions had their references and their historical decor. Besides this, without wishing to offend our colleagues from other social sciences, history, by its very nature, was the least inclined to give in to orthodoxy. A sociologist, economist or lawyer found his place more easily in the mythical, normative, stipulated, unrealistic reality. The historian always dealt with tangible reality. Of course, some seemed to forget this but, fortunately, there were many of those who remembered.

[POLITYKA] Professor, I believe that the assessment of the moral balance-sheet of the historiography of the last 40 years is still before us. I understand that the PTH is ready to begin such a discussion.

I thank you for the interview.

Taking Censor to Court: Supreme Court Finds for Plaintiff

26000409 Krakow TYGODNIK POWSZECHNY
in Polish No 11, 12 Mar 89 p 6

[Article by Krzysztof Burnetko: "Supreme Administrative Court on Alliances and Freedom of Speech"]

[Text] Can the Office of the Control of Publications and Performances ban the dissemination of a text when it believes that the reader, on the basis of the facts contained in it, will draw the "wrong" conclusions?

Does this same office have the right to intervene when it believes that the opinion of the events presented in a publication differs from that which is operative in a country which the Polish People's Republic deems to be an ally?

Attempts were made to answer these questions during a hearing before the Supreme Administrative Court [NSA], which had received a complaint from the monthly RES PUBLICA against the banning of the publication of an article by Marek Pernala, titled "Czechoslovakia 1968—A Calendar of Events." In issuing the decision, the censor referred to Art 2 point 3 of the law on the control of publications and performances ("In taking advantage of the freedom of speech and the press in publications and performances, one may not (...) strike at the constitutional principles of the foreign policy of the Polish People's Republic and its allies"). The grounds given were as follows: "...the opinion of the

events presented by the author is, in the political area, in direct conflict with the official position of the Czechoslovak authorities on this question." When the editors, in compliance with procedural regulations, appealed to the next higher office, this office upheld the earlier decision, adding that the article is a "one-sided report of the course of events in Czechoslovakia in 1968, ignoring the real background of these events and the development, at that time, of a situation which threatened the foundations of the socialist system of this state. For this reason, the report presented in the questioned publication is contrary to the version officially accepted in the documents signed by the government of the CSSR. Under these conditions dissemination of the publication in question would have violated a principle of foreign policy, which is to strengthen the ties of friendship and cooperation between Poland and Czechoslovakia."

In the opinion of RES PUBLICA, the form of the calendar—which is only a "presentation of facts which occurred in history"—cannot be regarded as a version of events because it contains no opinionative element. Yet, according to the view which generally prevails in judicial decisions and the teachings of law, the censor's competence to intervene is confined to the limits expressed in Art 2 of the law on control of publications. The standards contained in it can in no case be interpreted more broadly. This ensues from the decision of the NSA, issued during the first trial in the history of the Polish People's Republic, against the censor in November 1981, when the plaintiff was TYGODNIK SOLIDARNOSC. This type of legal opinion is also binding upon organs of the state administration "in the future." Therefore, the representatives of RES PUBLICA maintained, the dissemination of the text cannot be banned on the basis of the assumption that the reader interprets it "incorrectly." In any case, it is amusing that the calendar, which is the object of the conflict, was prepared on the basis of PAP Documentation Journals—Problems in the International Workers Movement, published in 1968 in Warsaw. The author selected those facts which, in his opinion, were the most important, deleting the comments contained in that publication, and arranged them in chronological order.

The thesis that the publication of Marek Pernala's text could do damage to the principle of the partnership and friendship of Poland and Czechoslovakia is equally incredible. If this material does not contain an opinion on the events, then by its very nature it cannot be in conflict with the "CSSR's official version." At the most, the calendar may cite facts which have not been revealed in the CSSR. But this in no case is grounds for banning the publication, because first, this would again be an interpretation broadening Art 2 of the law, and second, it could be said that such a ban would violate the sovereignty of the Polish People's Republic—is it possible that in Poland it is permissible to cite only the information which is cited in the allied countries?

RES PUBLICA petitioned that the censor's decision be declared invalid because it strikes at the principle of

freedom of speech and the press guaranteed in the constitution and in the Art 1 on the control of publications.

Justyn Sobol, director of the Main Office of the Control of the Press, Publishing and Public Performances (GUKPPiW), replied to the charges. It is a mistake, he said, not to differentiate facts from text. History is made up of facts, however text is a description of facts, an interpretation and opinion of them. "No other means are available to semantic texts." Even if the calendar does not contain an opinion and an interpretation in the strict sense, the description of the facts itself can, according to the censor, be an interpretation of these facts. They can be selected and listed in such a way that they suggest a definite conclusion—in this case, the invasion of Warsaw Pact troops into Czechoslovakia completely without basis. But the publication of a text containing such a thesis may "do real harm to Polish-Czech relations."

The minister of foreign affairs, whose opinion the GUKPPiW requested, was of a similar opinion. And when the censorship office presumes that the text may violate Art 2 point 3 of the law, he is required to take action against this. The suggestion that the ban on publication in this case violates the sovereignty of Poland is also incredible, according to director Sobol, because "it has recently become very clear that there is no country in the world which is absolutely sovereign. Just as the concept of freedom is not an absolute concept. In this sense, the United States are not sovereign, either. The sovereignty of every country is limited by economic conditions, international conditions, by international law, and by alliances, whether within the framework of NATO or the Warsaw Pact. Therefore, it must be admitted that a public gesture—and that is what dissemination of the text is—pertaining to another country can be interpreted in terms of harm or no harm to an alliance."

The prosecutor in his statement acknowledged that it was impossible to make a full historical assessment of the Prague Spring in view of the lack of all source materials. However, he called attention to the frequently appearing problem of the vagueness of the grounds for the censor's decisions. For example, in the case under discussion, the censor did not cite "which facts are deliberately selected" and in what aspects the publication will violate the "specific principles of Poland's international policy." Yet the code of administrative procedure requires the state organ to collect and examine all of the evidence exhaustively. The censorship office did not do this, which is a basis for repealing the decision.

The Supreme Administrative Court shared the prosecutor's reservations and acceded to his request. In addition, it reproved the censorship office for the mistake so frequently made. Therefore, if restriction of the publication referred to in Art 2 of the law is an exception to the free-speech principle, then the censorship organs "in

each case are to consider whether truly all of the material violates the legal ban, or only part of it." It does not appear, from the circumstances of the case, that both the district and the main offices of control considered the possibility of banning the publication of only some parts of the article—those that possibly might violate Art 2. It was decided that it would be better to ban the entire text.

The court also spoke out on the conflict between the principle of the freedom of speech and the press and the principle of "friendship with socialist states." It should be assumed that the duty to establish friendly international relations may not be stretched so far that it will forbid citizens to speak out in public on the history of a given country. Only the falsification of facts should be a condition, and not whether the speech is in accord with the official position of the current leadership of this country. Otherwise, no journalism whatever dealing with the latest history would be possible, because there are always the mistakes, either concealed by the governments involved or assessed differently. Recent years have proven that the so-called official versions and opinions undergo rapid and basic changes.

Finally, NSA mentioned two fundamental principles binding in democratic states: First, "statements by journalists disseminated by communications means not under the ownership of the government or the central authority, do not identify with the position of these leadership groups, the majority of society, etc." Second: "...in a democratic country public speeches are permissible on any subject as long as they does not lead to a violation of the law."

In this case, these principles were violated. And yet in a situation of real pluralism in the area of information and the mass media, in which a ray of hope—faint, but a hope nevertheless—appeared, they would be fulfilling a crucial role.

Newly Registered Lawyers Society Seeks Active Role

26000414 Warsaw *PRAWO I ZYCIE* in Polish
No 11, 18 Mar 89 p 6

[Article by Jerzy Ciesielski: "It Once Was in Effect for Three Months"]

[Text] At the beginning of this year, the Society of Polish Lawyers was entered, as No. 475, into the register of associations and unions in the Department of Administrative Affairs in the city of Lodz. The society's area of functioning is the Polish People's Republic and its headquarters is in Lodz.

The preamble to the society's statute reads as follows: "Lawyers and lawyer-apprentices, mindful of the humanistic and democratic traditions of their profession, in their concern about societal matters, human dignity, and the proper participation of the legal profession in political life, resolve to form the Society of Polish Lawyers."

Paragraph 5 of the statute defines the goals of the newly formed organization: Extensive participation of lawyers in public and social life and in matters of national culture, the inspiring and undertaking of actions to protect civil rights and freedoms, the undertaking and supporting of social and legal initiatives in keeping with the sense of civic and professional duty, raising the importance of the legal profession in the administration of justice and in the legal circles on the basis of joint responsibility and equal rights in the application and observance of the law, shaping correct ethical attitudes, defending the general and personal interests of lawyers and lawyer-apprentices. These goals will be realized by granting legal assistance to social and professional organizations, developing various forms of professional, creative and social activity, and supporting the initiatives and actions of the organs of the lawyers' self-management.

The first meeting of the society's members in the Lodz district of this organization was held on 17 February to elect the district's board. This meeting was extremely important because until the society's national congress of delegates meets, which should be no later than the first year of registration, the Lodz board will fulfill the function of the board of the national society. The Lodz bar organized the Society of Polish Lawyers and will head it up for the immediate future. One representative from each of the other districts will be co-opted for the Lodz board. At this time, lawyer groups from Poznan and Olsztyn, represented just as the lawyers of the Kujawa-Pomorze and Piotrkow-Czestochowa chambers at the Lodz meeting, passed founding resolutions.

A discussion on the courses of action which the society will take made up an important part of the agenda. Several opinions emerged from the extensive discussion.

In the opinion of Zbigniew Maciejewski, the society should postulate changes in the system of law now in effect. Our law is the most conservative area of social life. There are many regulations which arose during the Stalin era and have been modified only cosmetically. The differentiation between units in the socialized economy and other organizational units in law and the civil process, which gave a privileged position to state organizations, is being eliminated. It is also essential that the legal safeguards provided for public property and individual property be made equal.

Lech Mazur said that that which until recently appeared to be impossible, is now becoming an unquestioned reality. In 1984 the Supreme Court repealed the resolution of the Lawyers' Chief Council giving the lawyers the task of protecting civil rights and freedoms. In 1989, an identical provision in the statute is not being questioned. Among the courses of action for the lawyers' organization, Lech Mazur named: defense of the judge's independence and defense of the position of the minister of justice, citing the example that among the guests at the

National Congress of the Legal Profession, the minister was welcomed in 11th place (after the heads of the respective departments of our party).

In the other opinions expressed, the comment of Wojciech Mieroszewski is worthy of mention. He would like to see the society promote more friendly relations among members of the bar. There were also some statements of alarm about the commercialization of some segments of the lawyers' community. The subject of money came up in the statement of Jerzy Szczepaniak, who demanded that the lawyers' tax be eliminated and that in accordance with the principles of reform, the forces of supply, demand, and the market be given free rein. Professionalism and quality of work will emerge the victor in this market, therefore the bar does not have to fear the many legal-advice companies springing up. Jerzy Szczepaniak also called loudly for technical equipment for the legal profession—copy machines and computers—"because right now we are scratching with quill pens."

The discussion ended with a statement by Marek Markiewicz, from which ensued the bitter conclusion that although the lawyer as an individual, as an occupational function, is well regarded, the legal profession as a whole is practically not functioning in social life, and furthermore an unpleasant tendency toward megalomania is being seen. In the elections the only candidate nominated for board president was Miroslaw Olczyk, who also received all of the votes.

In conclusion, my own comment, although this subject, too, was mentioned in the discussion. I submit this text to the editors of the Association of Polish Lawyers (APL) weekly, the only legal organization, thus far, of a quasi-professional character. The Society of Polish Lawyers wants to be, and undoubtedly will be, somewhat competitive to APL. But I think that this dualism will make it easier to express the pluralistic character of the legal community. Thus we will have both rivalry and complementarity, and if it is rivalry, surely it will be nonconfrontational.

The newly registered society is the spiritual continuation of the Society of Lawyers and Lawyer-Apprentices, organized on 17 September 1981 and suspended the same year (13 December). I am convinced that in the enlivened spirit of pluralism in our society, the present society will work more effectively, and above all, work longer.

YUGOSLAVIA

Chairman of Human Rights Forum Interviewed
28000084 Zagreb VJESNIK in Serbo-Croatian
12 Mar 89 pp 5-6

[Interview with Vojin Dimitrijevic, chairman of the Yugoslav Forum for Human Rights and Legal Security of Citizens, by Mirjana Bozic: "The Forum Is Not a Government Tuxedo"; date and place not given]

[Text] Forename and surname: Yugoslav Forum for Human Rights and Legal Security of Citizens. Name of one of the parents: Federal Conference of the SSRN

[Socialist Alliance of Working People] of Yugoslavia. Day, month, year, and place of birth: 1 July 1988. City, Belgrade.

The identity card of the Yugoslav Forum for Human Rights and Legal Security of Citizens—like anybody else's, for that matter—will give you only the basic facts, which certainly are not sufficient to form a proper judgment. Inasmuch as the forum has attracted more and more public attention in Yugoslavia recently (although it has held only two meetings), we asked to talk with its chairman, Dr Vojin Dimitrijevic, professor of international law in the Legal Faculty in Belgrade.

[VJESNIK] At first some people in this country expressed doubts about the forum, viewing it—as one member of the forum put it very well—as some sort of tuxedo or tailcoat that Yugoslavia is putting on to make itself presentable in international society, where human rights have become so important.

[Dimitrijevic] People thought that the Socialist Alliance had set up a window-dressing institution as a veil to conceal government policy and as some sort of shield to defend Yugoslavia against criticism of what happens here with respect to human rights. Today you hear that assertion less and less often because both the short history of the forum thus far and its composition demonstrate that the forum neither consists of such people nor is behaving in that way. We were especially encouraged in this by the speech given by the chairman of the Federal Conference of the SSRN of Yugoslavia, Dr Bozidar Colakovic, at the forum's first meeting, when he made it clear to us that we are a group of independent people who must conscientiously express the views of the Yugoslav public and work to help ensure that human rights are respected in this country; we are not to "whitewash" reality.

Neither Unauthorized nor Subversive

[VJESNIK] There are fears that the forum is only one of those alternative political groups in Yugoslavia and that it could have behaved destructively toward the political system, that it's some kind of unauthorized, extrainstitutional body that could even be subversive.

[Dimitrijevic] Unfortunately, such views were heard even in the SFRY Assembly, where the question was raised of whether the forum wasn't possibly a new political party. Others expressed concern at the fact that the forum can accept voluntary contributions to aid its work. These were serious misunderstandings in my opinion. The forum was founded by the Federal Conference of the SSRN of Yugoslavia—consequently, it's not some unauthorized body, not a haphazard collection of citizens. It was set up in such a way that its members are representatives of the most respected professional organizations in Yugoslavia. More precisely, of the forum's 41 members, 4 represent federal-level sociopolitical organizations, 8 the republic and province SSRN's, 19

are delegates from professional associations (lawyers, sociologists, journalists, doctors, writers...), and 10 of them are selected by the Presidency of the Federal Conference, choosing from among people who are widely trusted and respected both for their moral stature and for their courage in standing up for human rights.

[VJESNIK] What kind of human rights does the forum work for?

[Dimitrijevic] Only those human rights which are guaranteed by the SFRY Constitution, by the constitutions of the republics and provinces, and by the many international treaties Yugoslavia has ratified and accepted. Thus, those are rights that positively exist. This forum—precisely because it's not a collection of ideologically and politically like-minded people—does not work for any abstract human rights.

[VJESNIK] Do all the human rights included in the international treaties figure in our Constitution?

[Dimitrijevic] Not precisely all of them. For instance, having different political opinions (which are respected under the international treaties and the agreement on civil and political rights) is not included in Article 154 of the SFRY Constitution, which lists the grounds on which it is forbidden to discriminate between citizens. One might conclude from this that people with political convictions differing from the prevailing ones can be discriminated against. In a sense that showed up in this country in the interpretation given to those famous regulations on moral-political suitability—which often led to members of the party being favored, and consequently to others being discriminated against.

[VJESNIK] Ever since the forum began to attract attention, or really ever since it was first set up in December [as published] of last year, we've heard that it's been inundated with letters—and all its members with oral appeals—from people who feel they've suffered wrong.

[Dimitrijevic] We've already received and registered over 300 letters, not only from individuals but also from various groups. That mail enables the forum to confirm that there is a large number of such cases where obviously some regulation in our legislation is going wrong or some regular practice is bad, or, shall we say, that there's some drastic case where a large number of people were persecuted.

Moral Authority

[VJESNIK] Who can and should appeal to the forum, and how?

[Dimitrijevic] Only people who have suffered a violation of some fundamental human right, not all those who feel they've lost a dispute in court or elsewhere and are dissatisfied as a result. The forum cannot come in after the courts and once again establish the facts in the case

because it's not there to replace the courts—it neither can nor should do that. Also, people must communicate solely in writing so that there will be an objective trail.

[VJESNIK] In other words, it's not true that the forum is only just another of those committees set up to handle petitions and complaints that we already see in various governmental institutions and sociopolitical organizations?

[Dimitrijevic] Not at all. That's not what we are. However, we will try to get those committees not to do something that the forum considers dangerous. And that is, instead of getting down and investigating the justice of the complaint, to send the petition straight on to the person against whom the complaint was made in the first place. That makes matters worse—people suffer still further because they complained, like the old phrase “judge, jury, and executioner.” That's particularly true of small places, where the group of local bosses is far more dangerous than in larger cities, where they're at least somewhat under control.

[VJESNIK] Then the forum isn't a court or a committee for complaints... What it really can do was perhaps best expressed in the words of Bozidar Jaksic, who said in his article on the Mosevac case that it would be very shameful for Bosnia-Herzegovina if “it came before the forum and were condemned by it” because of Mosevac.

[Dimitrijevic] Yes, that's a certain moral authority. If the public gets the idea that the forum takes a given position thoughtfully, conscientiously, and on the basis of a detailed investigation, then that position will be very important to everyone. By the way, that quote in itself testifies that serious people rather expect the forum to be effective.

[VJESNIK] We know that the forum has made a detailed study of the “Mosevac case,” visited Galijasevic in prison, studied all the relevant materials, had a number of interviews...

[Dimitrijevic] The forum's conclusions were to issue an appeal to lift the charges against Hasan Delic (there's a wanted notice out on him), to reopen the entire case against him and Dzevad Galijasevic, and to prosecute those alleged to have violated human rights. We also lent our support to the campaign by the Bosnia-Herzegovina SSRN's working group to clear up the case and finally close it. We must see Mosevac as a lesson—as an example of something that can happen elsewhere too. It involves the technique of repression (against people who are convinced they'll receive justice), where the campaign starts first with political means, then with organized pressure on those around the people and even on their children. Only then, when everything else has failed, does the government step in; in fact it's being enlisted in the cause of minor local interests and conducting a campaign against human rights.

[VJESNIK] If the forum “gets wind of” some such political campaign, can it take preventive action—issue an appeal and expose it to the moral judgement of public opinion?

[Dimitrijevic] That would be the best. Taking action before it comes to court. Although there are also paradoxical situations where it's better for the person to be accused in court, where he can defend himself, than to be persecuted by somebody somewhere and not know who's after him, nor how he can fight back.

Measures in Kosovo

[VJESNIK] The forum also played an effective role in the introduction of the special measures in Kosovo. Without questioning the need for them, it gravely warned the Yugoslav public and the responsible authorities to make every effort to respect human rights in Kosovo. Why?

[Dimitrijevic] Because by definition the state of emergency and the special measures represent a restriction on certain rights and you've got to exercise extreme caution there. In discussing this question we also had in mind that the government must also fulfill its duty toward the police.

[VJESNIK] The forum adopted the conclusions and accepted Professor Momir Dasic's proposal that it would be desirable for Yugoslavia to translate and publish the writings and proclamations of various Marxist-Leninist organizations for the “liberation of Kosovo” and its annexation by Albania.

[Dimitrijevic] In such a case the Albanian population in Kosovo too would really realize that it is being offered a model of a state where it would lose all its fundamental human rights. Above all the right to own property and freedom of religion. We know what Albania is like today. If that is the ideal being offered to the population of Kosovo, we're convinced they won't take it.

[VJESNIK] For humanitarian reasons the forum singled out the case of a semiliterate Albanian woman convicted of hostile activity.

[Dimitrijevic] We feel that that woman, because she was semiliterate, could not have understood that activity, i.e. the materials found in her possession; in addition, it was also obvious to us that the case against her was not conducted properly. We urge that particular care be devoted to any repression directed against the Albanian population to ensure that it does not also hurt innocent persons who are unaware of their activity and that the authorities not go along with the plans of the secessionists in this way, since they would like to anger as many people as possible in Kosovo.

[VJESNIK] The forum group that's working on reforming the Penal Code is to propose that Article 133 of the Penal Code either be eliminated entirely or that it merely call for the punishment of people calling for the violent overthrow of the constitutional order in Yugoslavia.

[Dimitrijevic] Article 133 is a legal text that is so vague that it really is difficult to apply, because it puts citizens into different categories. If, for instance, a politician declares from the rostrum that there is a crisis in Yugoslavia and the economic system is collapsing, nobody prosecutes him for that, which isn't the case if a "little guy" says the same thing. That's why we've issued an appeal to pardon 25 people convicted on charges arising from Section 1 but not from Section 2 of that article (malicious and untruthful representation of conditions in the country). We've also asked to have the value of Article 133 reconsidered in a calm atmosphere. As you know, our appeal was accepted.

[VJESNIK] What about so-called verbal crimes?

[Dimitrijevic] It's impossible to be totally against that because those are crimes which can be committed by means of words—for example, calling for aggressive war, and the like. However, as many things in this country have acquired an incorrect meaning, so too has the concept of verbal crime. It's used by many to conceal something else, namely the crime of thinking, for which nobody ought to be punished.

[VJESNIK] Is the forum issuing any other appeals in the area of criminal law?

[Dimitrijevic] We'll probably ask that imprisonment be eliminated as punishment for misdemeanors. We also consider it necessary to reformulate Chapter 15 of the Penal Code in its entirety; that deals with political crimes, if we may term them that. The terminology in that chapter is antiquated and we've got to free it of its ideological premises.

HUNGARY

Root Causes of Employment Problems Described

25000124b Budapest NEPSZAVA in Hungarian
11 Feb 89 p 3

[Article by Antal Szalay: "Unemployment Compensation Only a Band-Aid, or: Can a Foundry Worker Become a Nurse?"]

[Text] Well, we even believed that! At least we act like we believed it. Maybe because it sounded to congenial, so funny. And can't we even believe in jokes, when for decades we have only been able to express our troubles through humor?

"You can't make a nurse out of a foundry worker!"

This is how the recognition sounded when it became clear to directors and subordinates, leaders and followers, employers and employees alike that unemployment has become a social reality for us too. Very slowly, about every six months, it sank deeper into acquiescence and acceptance by the nation and its public opinion. First the idea of full employment was replaced by that of efficient employment. Later, an ideological explanation for the bitter reality was born, according to which the right to work is not the same as the right to a job. After that it only took a few months before there was a new clarification, and explanations started to talk about "structural unemployment."

Diverted Work Force

Today, experts and laymen alike just talk about unemployment, while there are many who claim this phenomenon shows we are at last catching up with the capitalist countries, or if not, then at least that we have found the magic spell for more rapid economic development. As if a toothbrush should be able to climb walls because it has bristles like some insect.

And because the economic politicians thought a slow, careful retreat from their ideological battle cries was more important than economic analysis of the phenomenon and apologies more important than explanations based on facts, almost no one thought seriously of reversing the joker's statement:

"But please tell me how the nurse got to be a foundry worker?"

How and because of which factors did there develop in our country an employment structure that is already burdened by two kinds of tension? For not only is society increasingly worried about the fact that unprofitable factories and plants are being closed, so that thousands may end up on the street from one day to the next, but about the fact that the level of goods and services has been steadily declining for years because of a lack of workers. There are few professors and teachers, and

there are astonishingly few men among those we do have. There are not enough tradesmen and nurses, judges and council workers, railroad workers and shoemakers. Some branches of employment are being depopulated, others dominated by women.

And while today thousands of people and tomorrow tens of thousands are threatened with the bleakness of the exhausting life of unemployment, at the same time there is a lack of "work force" in households as well, to the extent of foreshadowing a family and national tragedy. There is no one to clean and wash, to shop or to cook. There is no one to talk to the children. No husband to listen to the wife's problems. No wife to whom the husband can complain about his troubles. In order to maintain a modern household so that they can "replenish the earth," not just two, but three incomes are needed. So the husband works in a side occupation or job, and in more and more places there is no other alternative for the wife either.

It is as if some invisible hand had rolled up the threads of employment into an untangleable ball. Foundry workers are dismissed in Ozd, mechanics in Szekesfehervar, administrators in Tata, stone masons in Veszprem, but there is no one in the hospitals to give a cup of water to a patient, in the schools to teach the children to read, at home to cook dinner, in the repair shops to fix a television set, no one to sweep the streets, repair a piece of fallen plaster, or punch holes in tickets on the railroads. And, lo and behold, the "modern" institution of unemployment compensation is a sword, polished and sharpened by a flood of words that will strike the Gordian knot of our problems.

But will it cut it apart?

No one can seriously think that it will. Simply because it is impossible for people to live on what people can make in the careers that are suffering from lack of workers or have become dominated by women. This is because wages and incomes in past decades have served well the deformed economic system created by those in the ivory towers of ideology who have been called to make decisions. Not only has a disproportionate share of the national income been pumped into heavy industry, mining, and energy, later into light industry, and chemicals, thus impoverishing the services, such as transportation, communication, water supply, housing construction, education, culture, and health, but wages and benefits have been adjusted in the same proportions. Just as in the rapture of industrialization money has not been found for chalk in schools and for medical supplies, neither has it been found for wages sufficient to enable teachers, professors, nurses, and doctors to live respectable lives.

The rapture of industrialization also drew income away from agriculture in the early 1950's, and it—along with administrative measures—forced peasants to move from the villages to the city, so as to become "industrial

workers." But depressed wages that were kept low forced the wives and mothers in city families—whether they liked it or not—to become workers. According to the ideology, this was because, in this way, in the seat of a tractor, down in the mines, by the side of screaming looms, commuting on filthy trains, they could arrive at the paradisiacal state of full equality. But they really only wanted just to live.

Lazy Husbands, Sloppy Mothers?

Later, in the early 1970's, when it appeared that directing incomes and people—the "work force"—toward heavy industry or industry in general involved serious economic and social tensions, new institutions, new slogans, and new ideologies were born to counterbalance the harmful effects. Offices to give advice on career change were created to convince the young people that whatever was not in their interest was in their interest: That they should choose careers where they couldn't earn enough money to buy cold water. And those who decided otherwise were accused of materialism, as were their parents.

A nationwide chorus cursed husbands who would not do housework, and the anointed priests of ideology excommunicated mothers who toiled in three jobs and therefore could not take care of their children. Freedom of education was preached, but advanced study was prevented through acceptance quotas. A nation echoed with the right to rest and recreation, while low wages forced and are still forcing people to work 10, 12, and today even 14-hour days. And they said the workers were exploiting themselves! Self-exploitation? What a lovely name for what has happened and is happening!

Because this happened, that is why it happened that nurses became weavers, if not foundry workers, professors became bakers, mechanics foundry workers, shoemakers, dock workers, and mothers of three, four, or five children became skilled workers. And even the serious lack of manpower experienced by agriculture in the early 1960's was only resolved by allowing, and still allowing, incomes to be supplemented by money earned through home farms and through complementary farms in the collective farms—by working from dawn till late evening, to be sure.

Of course all of this was followed according to natural laws by what finally happened: the veil was lifted from the self-serving branches of the economy as they came into conflict with the market, which does not understand ideological reasoning. It became unambiguously clear that they have been living for years on incomes extracted like a vacuum cleaner by the economic-policy budget from people, households, the infrastructure, education, health, and services.

No Incentive

Is it now a strange twist of fate for "reform" or rather an unfortunate interplay of economic power relationships that, against all social logic, rebuilding and reorganization of the market is in fact starting not with the so-called

productive branches of the economy, but in the place where modern market economists are welcoming back the market, counterbalancing its harmful effects: in education, culture, and public services?

For this reason, to put it mildly, it would be expecting a miracle to think that the institution of unemployment compensation and the retraining system, which is still not yet working today, can by themselves solve anything. They cannot solve anything because enterprise and individual incomes are still flowing into the artificially inflated but unprofitable branches of the economy. Even the year 1988, which has been called the year of reform, could not bring about a change in this regard. Neither the processing industry, nor trade, nor education, nor health, nor the situation of households improved. In fact, they got worse. And therefore nothing encourages, gives an incentive to, or entices people who have been or will be let go from unprofitable enterprises to direct their careers in the direction of the operations and institutions that are struggling with lack of manpower. Wage and income relationships hinder them from doing so. Financial oppression of small enterprises has put up an insurmountable barrier to independent initiative. In today's conditions, no one in his right mind can think of having the women in tax-burdened families give up their jobs in order to spend more time with their children, husbands, and housework.

For this reason, unemployment compensation will continue to be a pretty band-aid on employment problems as long until those channels of national income through which money can flow to the places where it can be most useful are open. Until people, the "work force," lacking real wage reform, are able to follow this movement of capital. Until the processing industry and the equally deserving services, health, education, and infrastructure recover in investments and wages the status they deserve along with the family, which is indispensable for the future of the nation and the rebirth of national interests. As long as economic reform is not a reform, but a useful slogan for covering up the mistakes of the obsolete economic structure.

And as long as everything is this way, the foundry workers, miners, stone masons, plant engineers, mechanics, and administrators who are struggling for their jobs and their existence and the unions that speak on their behalf cannot be accused of opposing reform. For if anyone knows people, he should know that the foundry workers will change themselves even into nurses if necessary! But if people are not going to help them do it, let them at least not stand in their way!

POLAND

Self-Financing Polish-Soviet Trade Chamber Organized

Poor Use of Existing Resources

26000426 Warsaw RYNKI ZAGRANICZNE in Polish
No 33, 18 Mar 89 p 2

[Article by (WEG): "The Patron of New Forms of Cooperation: The Polish-Soviet Chamber of Commerce and Industry"]

[Text] Despite the increasingly evident need to revive

Polish-Soviet economic cooperation by broadening the group of the enterprises participating directly in it on both sides, the results so far have been incommensurate with the needs and actual possibilities. This deficiency was a major reason for the formation of the joint Polish-Soviet Chamber of Commerce and Industry.

Three months following the signing of the intergovernmental agreement to establish the joint Chamber, on 21 March, a general founding meeting will be held in Warsaw. It will approve the statute, the program of action, and the administrators of the joint Chamber of Commerce and Industry. The main office of the Chamber will be in Warsaw, and it will maintain an office in Moscow and, as the need arises, establish additional branch offices on the territory of both countries.

The Chamber will be a completely self-financing organization, deriving its funds from member dues and from fees charged for services rendered to members. Its members, who will be admitted the day following the General Meeting, will include all the enterprises and economic organizations of both countries that are interested in intensifying mutual or multilateral cooperation.

The scope of the anticipated activities of the Chamber is as broad as the scale of the potential harbored in the cooperation between Poland and the USSR. But the paramount goal will be the promotion of direct ties between enterprises and economic organizations, chiefly through assistance in establishing contacts and a broadly conceived information program concerning both potential partners for joint ventures or coproduction ties and changes in the pertinent laws in both countries. In addition the Chamber shall attempt not only to promote bilateral forms of cooperation but also cooperation with enterprises of Western countries.

Another domain of the Chamber's activities will be consulting services, especially as regards marketing and the operating principles of joint and coproduction ventures, as well as other consulting services. Also worth noting is the assistance the Chamber will provide in exchanging patents, inventions, and licenses intended for joint application. To be sure, it is hard to judge from intentions alone, but much indicates that the Chamber's activities will prove of considerable assistance to all enterprises interested in committing themselves more broadly to direct cooperation.

On p 3 of this issue we are publishing an interview with V. V. Borovsky, one of the founders and initiators of the Polish-Soviet Chamber of Commerce and Industry.

More Direct Enterprise Contacts

26000426 Warsaw RYNKI ZAGRANICZNE in Polish
No 33, 18 Mar 89 p 8

[Interview with Vladimir Vladimirovich Borovsky, chief, Department of Socialist Countries in the USSR Chamber of Commerce and Industry, and one of the initiators and cofounders of the Polish-Soviet Chamber of Commerce and Industry, by Monika Sowa: "Link the Interests of Enterprises" under the rubric "Polish Foreign Trade"; date and place not given]

[Text]

[RYNKI ZAGRANICZNE] The principal purpose of the establishment of the joint Chamber of Commerce and Industry by Poland and the USSR is to intensify new forms of economic cooperation between the enterprises and organizations of both countries. Does this mean that the development, so far, of these forms, i.e., of joint enterprises cooperating in production, as well as of direct barter trade between domestic trading organizations of both countries, has not been satisfactory?

[Borovsky] Unfortunately so. In our opinion, direct cooperation between enterprises should be at the core of economic relations between Poland and the Soviet Union. Yet last year the volume of trade based on this new form of cooperation accounted for barely about 1.5 percent of the aggregate volume of trade between our countries. Following the spirit of the reform, as regards economic cooperation between the USSR and foreign countries, a growing proportion of trade should be handled by the enterprises rather than by the state. But this raises the question of how to stimulate the interest of Polish and Soviet enterprises and economic organizations.

[RYNKI ZAGRANICZNE] Could you mention the principal obstacles to such direct cooperation between enterprises?

[Borovsky] Above all, there are the differences in fixing the prices of manufactured goods, the nonconvertibility of the national currencies, and their inequitable, artificial exchange rates, and also the differences in the degree of economic autonomy at enterprises of both countries. Another major barrier is the lack of information for companies in both countries as regards potential partners, along with unfamiliarity with the guidelines for developing and implementing ties of the new type. Demolishing this last barrier will be precisely a purpose of the Polish-Soviet Chamber of Commerce.

[RYNKI ZAGRANICZNE] This will not be the first binational chamber of which the USSR Chamber of Commerce and Industry is a member, will it?

[Borovsky] No. For many years joint chambers of commerce and industry in which the principal partners of the Soviet Union among the capitalist countries are members have been active. They include the Soviet-British, Soviet-French, or Soviet-Finnish chambers. For the last 20 years there also has existed the Soviet-Czechoslovak chamber, but it became more active only recently. Last year, moreover, we signed an agreement to establish a joint chamber of commerce with Bulgaria. Unfortunately, that agreement did not resolve all the organizational issues, and hence the difficulties and delays in implementing it in practice.

[RYNKI ZAGRANICZNE] Is the ongoing establishment by the USSR Chamber of Commerce and Industry of joint chambers with the participation of CEMA countries linked to the changes recently occurring within the Soviet Chamber itself?

[Borovsky] Indeed, our institution has recently undergone a major evolution. Pursuant to a decree promulgated on 18 February 1988 it is now an autonomous unit operating on the basis of complete cost-effective accounting and having the rank of a ministry. Above all, however, the enterprises have gained in the new Chamber a spokesman for their interests. We are trying to enable them to send in comments and suggestions on the system of foreign economic cooperation, and we are transmitting all these comments and suggestions to the superior authorities responsible for the export policy. At present the Chamber also is expanding vigorously the services and consultations on foreign trade that it offers, through the mediation of its subordinate enterprise, "Vneshekonomservis." The purpose of another subordinate enterprise of the Chamber, "Soyuzregion," is to identify goods and services that have not been exported before but are potentially highly marketable abroad.

[RYNKI ZAGRANICZNE] Why is it that although the separate Soviet and Polish chambers of commerce are now more energetic in their activities, it was deemed necessary to establish an additional, joint Chamber?

[Borovsky] The Polish Chamber of Foreign Trade attends to developing economic cooperation between Poland and all other countries. So does the USSR Chamber of Commerce and Industry. Thus it became urgently necessary to establish a separate institution that would focus on promoting just one direction of cooperation, that is, economic ties between Poland and the Soviet Union. The relatively narrow scope of competences of this new chamber affords a chance for its more effective performance. I also wish to stress the fact that previously a joint Polish-Soviet chamber was in principle unnecessary because all decisions on economic cooperation between our countries used to be taken at the governmental or ministerial level, whereas now it is different and that is why, all the more, we must support enterprises in their new role.

[RYNKI ZAGRANICZNE] Are the Soviet manufacturing enterprises, especially those exporting to Poland, very interested in joining the joint chamber?

[Borovsky] Let me just say that we have had tremendous difficulties in explaining to many producers that some of them could not participate in the Founding Meeting of the Polish-Soviet Chamber of Commerce and Industry but could join this Chamber on the very next day. Insofar as I know, similar problems in curtailing the number of founding members have been experienced by the Polish side.

[RYNKI ZAGRANICZNE] Will not the fees exacted by the Polish-Soviet Chamber for some of its services, with the object of its being financially self-supporting, be an obstacle to Soviet enterprises? Are these enterprises ready to pay fees to the Chamber for its information services, expertises, consulting services, and marketing and advertising services?

[Borovsky] The hunger for information on foreign trade and the readiness to pay the rather substantial fees for that information are such that there had even occurred a financial swindle consisting in the embezzlement from enterprises of considerable fees for broad assistance in initiating export activities.

[RYNKI ZAGRANICZNE] How do you view the future of the Polish-Soviet Chamber of Commerce? Might not it be that, once the initial hunger of economic entities for information is satiated, its importance to both sides will diminish?

[Borovsky] In this respect I am an incorrigible optimist. Of a certainty, during its initial period the Chamber will chiefly meet the demand for basic information. But in a later period it is certain to provide useful assistance in identifying partners for cooperation, or by providing information and commentaries on the legal and economic changes constantly ongoing in both countries. Also useful, undoubtedly, will be the Chamber's advertising and publishing services, all kinds of seminars and roundtables, and also assistance and coordination in exchanging experts. Altogether, we will have plenty of that work, so useful to enterprises, to last us for many years.

[RYNKI ZAGRANICZNE] Thank you for the interview.

Duty on Goods Imported From Bloc Proves Troublesome

26000407 Warsaw RYNKI ZAGRANICZNE in Polish
No 14, 2 Feb 89 p 8

[Article by Stefania Parkola: "Difficulties in Trade With the First Payments Area"]

[Text] Beginning 1 January of this year, the customs tariff in effect for the last 13 years was replaced by a new, considerably more expanded and detailed one. It uses a different rubricator; the number of tariff items has increased by 2 times, and the entire tariff is based on the harmonized system of classification and coding of goods, which on the whole makes it similar to tariffs in effect in a majority of European countries. In view of the current needs, the rates have also been reduced by 50 percent, on the average.

As the practitioners stress, the main advantage of the new tariff is in its transparency and ease of application. For example, the customs duty rate on goods for a piece of equipment, or a machine, is the same as for spare parts for them which considerably facilitates tariff classification.

At the time of adopting the new tariff, that is, on 1 January 1989, Poland became the only country in Eastern Europe to introduce customs duties on goods imported from socialist countries. This is when difficulties began which have affected mostly the foreign trade

organizations which import a lot from the first payments area [socialist countries]. The main reason for the difficulties is found in the requirement of the new regulations that a supplier invoice be furnished to customs together with the merchandise because the customs can calculate the duty only on this basis. Meanwhile, the practice of trade in the CEMA legitimizes the situation whereby the delivery is accompanied only by the specification of merchandise, with the supplier invoice often sent to the Polish foreign trade organization as much as half a year later. A collision between these accepted customs and the new Polish regulations is causing disruptions which are very burdensome at present, though they definitely will disappear as time goes by.

Of course, it would be the best to change customs. Therefore, Polish foreign trade organizations are trying to attach riders concerning these formal requirements to the already signed contracts which are in the process of implementation. However, the consent of both parties is needed in order for them to become binding, and there are difficulties with that. This depends exclusively on the good will of partners because a foreign trade organization cannot use any sanctions with regard to them. Certainly, the issue would be ultimately resolved only if these conditions are introduced to the CEMA OWD [General Conditions for Deliveries] in the form of amendments.

Just as is the case in contacts between enterprises, the Ministry for Foreign Economic Cooperation may only table such motions in the CEMA forum. The ministry has been using the information channels available to it since the fall of last year anyway. Consequently, all Polish BRH's [Bureaus of Commercial Counselors] in socialist countries have officially notified the ministries of foreign trade in the countries where they are posted of changes in the Polish customs regulations. At the same time, all BRH's of the partner countries in Warsaw were notified of this. In the opinion of Andrzej Rusak, main specialist for customs issues at the Ministry for Foreign Economic Cooperation, these issues as well could be resolved by introducing a new form of bilateral trade protocols which would include only strategic goods, whereas the exchange of other goods would proceed exclusively at the enterprise level.

Meanwhile, however, we've got to survive the difficult period. Thus, deliveries from the socialist countries come mostly without invoices, and customs offices make an intermediate inspection, letting the delivery into the country and directing the foreign trade organization to furnish a customs declaration and the supplier invoice within 30 days. For example, a foreign trade organization such as Varimex receives several dozen customs petitions which have to be registered, and responses have to be sent to the customs office by registered mail. In the Varimex, several staff members had to be assigned to this job alone. Previously, the C. Hartwig Company was most frequently the one to take care of customs formalities in its capacity of forwarding agent. The company

even now is of the opinion, shared by the foreign trade organizations, that customs should calculate the duty directly, based on the declaration by the importer on the cost of given merchandise. The credibility of declarations would need to be confirmed after the invoice arrives, not within one month, however, which is a deadline practically impossible to comply with in relations with many traditional partners, but rather, say, half a year. Even now C. Hartwig includes all the data necessary to establish the customs value in the forwarding order, i.e., insurance rates, the method of calculating the cost of transportation to the border of Poland, and occasionally other costs.

A similar position has been taken by another major importer from the first payments area, the Ciech Company Ltd. which suggested in a memo to Hartwig that "in the event the supplier invoice is lacking, the value stated in the forwarding order be used as the basis for establishing the value of merchandise necessary to write up a customs declaration, and present the merchandise for customs inspection."

One month has just passed since the new regulations were introduced, whereas customs instructions suggest that, after this period of time elapses and the supplier invoice is still not available, customs offices will calculate the sums due themselves using in the process "the documentation available." Foreign trade organizations fear that such imprecise wording allowing for much arbitrariness on the part of the authorities will bring about the use of the highest possible value of a given type of merchandise, which in some cases exceeds its actual price, as the base for calculating customs dues. However, in this case the opinion of the Ministry for Foreign Economic Cooperation is principled, as expressed concisely by A. Rusak: "The problems are due to erroneous customs which need to be changed, but this cannot be accomplished by liberal methods."

On the other hand, the ministry concurs with foreign trade organizations on another issue involving the date on which the customs value, initially expressed in a foreign currency, is recalculated into zlotys. With the rate of exchange fluctuating, this is very significant for determining the final amount of duties to be paid in zlotys. The instruction calls for the conversion to be made at the rate of the day on which the merchandise is produced for customs inspection. Foreign trade organizations believe that this refers to the date the merchandise is delivered to customs by the forwarding agent, and the "customs petition" document, which is subsequently accepted, is written up. However, as the organizations report, there have been cases when the customs interpreted this as the date of actual inspection. The view of the importers in this matter is correct, which is unambiguously confirmed by both the Ministry for Foreign Economic Cooperation and the GUC [Main Customs Administration].

It appears that the bulk of these differences in interpretation, misunderstandings, and difficulties are due to two reasons. Any transition to new guidelines causes disruptions and confusion before new customs are formed, and the system "grinds in." In this case, the "normal" difficulties were exacerbated by the accelerated pace of introducing the changes. The other reason is found in the traditional model of exchange with the socialist countries which calls for changes in the direction of "commercializing" it; our new customs regulations are a step in this direction.

Training courses lasting for over 2 months were set up for employees of the customs offices as long ago as the fall of last year in order to introduce the regulations as smoothly as possible. In training, the employees were familiarized with the new customs tariff, and the principles of applying it. This has brought results because in some areas of Poland, including Poznan, such problems do not make the life of importers miserable. However, in many other locations an excessively formalistic approach by the customs offices may be registered.

Difficulties with the new regulations have not come to an end yet, and will certainly continue for several more months. It may be assumed that in the future suppliers, pressured by Polish importers, will begin sending invoices faster, and the customs offices and foreign trade organizations will work out some kind of a compromise. Old difficulties will give way to the new; it would be worthwhile to remember at that time that reform hinges not only on regulations but first of all on the people who apply them. So, let us not make life difficult for each other.

New Economic Operations Law Criticized as Only Partial Measure

26000394 Poznan WPROST in Polish
No 9, 19 Feb 89 pp 14-15

[Discussion on the laws on economic operations, and on economic operations with the participation of foreign entities by Prof Dr Jozef Orczyk, assistant president of the Economic Academy in Poznan; Jerzy Marcin Majewski, an attorney in private practice in Poznan; Romuald Szulczewski, an employee of the Poznan Voivodship Planning Commission; Michal Wojtczak, chief of the Draft and Promotion Bureau SNOW and initiator of the Great Poland Economic Association of Unions of Commercial Companies, which has been trying to get registered for 2 years; Andrzej Bobinski, director of the Intermarket Co.; and editor Stanislaw Zielinski: "Feudalism Is Entrenched"]

[Text]

[Majewski] First of all, I would like to note that from 1 January of this year on, we do not have any new system of economic legislation in our country. Only two new laws are in effect which we may classify as economic laws; however, they regulate only a small segment of our

economy. Almost on the day after these laws took effect, a journalist of the TV channel 2 reported that all over the country many petitions for setting up economic operations were coming in to voivodship administrators' offices. He found it very surprising that the fewest petitions were submitted in Poznan. What is happening to the traditional economic efficiency of Great Poland, asked the concerned journalist. Meanwhile, such caution is the result of Great Polish realism in both economic operations, and the assessment of new laws.

[Wojtczak] Because as it is these laws do not introduce to our life any mechanisms restricting autocratic decisions by the government. Minister [of Industry] Wilczek has announced the production of a [new] car, and we still do not know whether this is the right decision because, after all, he did not produce for us either economic calculations or an analysis of production conditions. The government closes down shipyards and other enterprises, and we also receive this as a revelation because nobody has verified it.

The preparation of these two laws, the first ones from the package announced, testified to the good will of the government. However, this spectacular gesture will not replace a comprehensive concept of changes in our system, and not only the legal and economic ones. After all, we do not have any precise and cohesive economic model. First of all, we need a new constitution of the state which should be the beginning of crucial changes.

[Orczyk] Here we are touching on the basic problem in our system: the relationship of law and economy. This is a fundamental issue. We have already become accustomed to the practice whereby a system of orders and bans regulates our economy. However, the best regulations are the ones which are forced on us by economic life. First, regulations appear in the form of customary norms, and later they are transformed into legal norms.

[Majewski] For as long as the legislature creates laws according to its own concepts, for extemporaneous political purposes, the law will never become a guarantee for anyone. Hence the stabilization of legal regulations in our country is important and altogether necessary.

[Zielinski] Every government team has introduced its own laws. Our postwar laws have frequently been short-lived. This is also the case with legal regulations in the economy.

[Szulczewski] The law on economic operations resolves several issues at once; for example, it introduces the voluntary nature of the association of economic entities. It does make a difference for the founders of companies whether belonging to a guild is mandatory or voluntary. This does make a difference for our economic life as well. In one of the issues of WPROST, Prof Wilczynski talked about the forthcoming hour of reckoning. Therefore, the period which will elapse between the moment the law on economic operation fully takes effect and that

hour is very important. Even in this period of time we could use some sectors of the economy governed by economic laws. I believe that in that event the degree of confidence of society in reforms would increase greatly.

The pace of our reforms is too slow, and that of raising economic consciousness is even slower. How many of our students go for legal or economic studies to Western colleges? Well-trained cadres are lacking. All kinds of monopolies and privileges are destructive influences, and the law on economic operations will definitely not eliminate them. The monopolies and privileges were created by the government, and nobody will help the government out in dissolving them. Is the government doing it? I am pessimistic. If nothing else, the fact that the minister of finance is supposed to be... the antimonopoly agency should be the cautionary signal in this matter! After all, this ministry is interested in the existence of monopolistic groups! I have yet to see a minister who would act to the detriment of his own interests. I think that we are going to encounter such "pearls" more frequently.

[Orczyk] However, the law on entrepreneurship will undoubtedly bring results in the form of overcoming stereotypes. I suspect that a large number of enterprises will be formed. Later a majority of them will certainly go bankrupt due to various reasons, but this is, after all, the normal turn of events. The ones which remain, however, may become the foundation for decisive measures. We must make the public understand that the law on economic operations merely creates the framework; it is impossible to accomplish the reform without capital reserves. We cannot count on funds from abroad. Thus, the level of consumption by society is considerably reduced. Therefore, the more people in our country decide to become entrepreneurs the better it is for us.

[Szulczewski] I believe that our great reserves are squandered by large monopolistic organizations and their bureaucratic superstructures. Hence our current accumulation is allocated as badly as possible.

[Orczyk] This cannot be determined that unambiguously because economic accountability is the foundation for evaluating allocation, and we have no such accountability. Despite the forthcoming hour of reckoning, the government is still providing all subsidies. At this hour, making prices realistic is the fundamental issue as far as I am concerned. I believe that nobody will start a business unless he has good information. Only then will the laws of demand and supply, and the principles of healthy competition begin to operate. Then people will begin calculating. At present, the customer in the market buys things sight unseen. He buys everything, and asks nothing about obligations.

However, the law on economic operations does create conditions for the development of capital. This policy with regard to capital was once accepted in Sweden where to this day 90 percent of national assets are in private

hands, whereas the state distributes 62 percent of the national income, or 12 percent more than in our country. Reasonable prices and a rigorous tax system have been the reason for success. We are after the same thing: shearing the sheep so that the fleece from them would suffice for all, and at the same time they would do fine.

[Bobinski] Our state has always been too much of a welfare state anyway.

[Orczyk] Too much of a welfare state? I always take issue with that view. Our state has been a bad welfare state because it has wanted to solve everything for us, and give us too much. However, the law on economic operations may effect a change in the mentality of those who have thus far only claimed handouts.

[Majewski] However, our system continues to be based on contributions, that is, I give something to someone.

[Zielinski] In other words, we in Poland have something in the nature of socialist feudalism?

[Majewski] We have regular feudalism. It is high time to understand where we stand, and where we want to go. Do we still want to go toward the Yugoslav or Hungarian self-government models which have not worked out? Are we going toward a model which will work out, except that we do not know yet what kind of model it is going to be?

I wonder whether the law will help to eliminate the present faulty legal and economic system, or whether the system will smother the progressive law.

[Szulczewski] This depends on the balance of social forces.

[Majewski] First of all, it depends on political reforms. For example, this year elections to the Sejm are in store for us. However, the question is whether they may be postponed.

[Szulczewski] The SD [Democratic Party] is already lurking there with a law on crafts which attempts to restrict the law on economic operations...

[Majewski] And it is prepared by [Sejm] deputies affiliated with this party, the party which supposedly never wanted to finish off the enterprising ones.

[Zielinski] One's own interest counts more than a march toward the common objective...

[Wojtczak] Exactly. We talk about everything being allowed now that is not forbidden by law. The Great Poland Economic Association of Unions of Commercial Companies has a statute complying with the regulations currently in effect, and we cannot get it registered despite this. At the same time, a guild of companies is registered.

and many associations are set up, including the Association of Employers. They talk about the freedom to compete, freedom of association, while giving more rights to some, fewer to others. The Great Poland Economic Association of Unions of Commercial Companies which would be one of the most formidable organizations, as it would have its own bank, after all, is still waiting to be recognized. Recognized by whom? The Chancery of the Council of Ministers! Reform enters there through one door while stagnation comes through the other. What about the equality of [different ownership] sectors?

[Szulczewski] The banks will continue to favor the socialized sector. If they respected the equality of sectors they would have to primarily provide financing for those whose economic performance is the best, that is, private [enterprises]. Such giants as the "Cegielski" and "Wierzbica" are now facing an increasingly acute crisis. Could the banks allow themselves not to finance them? After all, certain social functions devolve on the banks. It matters for the state as well whether 10 companies are closed down, and 50,000 people suddenly appear in the labor market, or 100 companies are closed, and 500,000 people are looking for jobs.

[Wojtczak] So, should we put the "Cegielski" on the auction block?

[Bobinski] Who is going to buy it?

[Zielinski] Exactly. Let us go back to the laws, however.

[Wojtczak] Correct. The fear of the new is also apparent in the law on economic cooperation with the participation of foreign entities. It introduces little liberalization compared to the 1986 law. A refusal to register a company, and even to set it up still cannot be appealed to the courts. The legislature reserves for itself the right to review the distribution of capital! It wants to know about the movement of shares among partners! Permits are issued for a finite period of time. Only deeds for a specific person are issued for contributions to the company. Which foreign partner will understand that many legal anomalies in one regulation?

[Majewski] I believe that a privileged position of the official emerges very clearly from the law on operations with the participation of foreign capital. It rests on the inability to appeal decisions of the Foreign Investment Agency either to an administrative echelon or the Main Administrative Court. This is an invitation to abuses!

Economists Argue About Enterprise Privatization

Advantages of Privatizing Firms

26000393 Warsaw KONFRONTACJE in Polish
No 12, Dec 88 p 22

[Interview with Stefan Kawalec, 35; a graduate of the department of mathematics at the University of Warsaw; for 5 years, a professional economist; assistant instructor at the Main School of Planning and Statistics of the Institute of Operation of the National Economy; author of the "Outline of the Privatization Program for the Polish Economy" recently presented at a scientific con-

ference at the school, by Zbigniew Zbikowski: "Privatization From the Top"; date and place of interview not given]

[Text]

[KONFRONTACJE] Let us try to fantasize. If the domestic and external political constraints disappeared at present, what remedy would you suggest for our sick economy?

[Kawalec] If Polish society could make decisions on its economy through democratic elections, on its own (...) I would suggest the following steps. We should introduce as fast as possible legal, institutional and tax arrangements ensuring conditions for free economic activities, and making the operation of a market possible, while simultaneously offering for sale shares of a certain number of state companies, and announcing at the same time the schedule for privatizing subsequent enterprises. These would be closely interconnected actions. An abrupt "marketization" of the economy, and particularly the elimination of various nonmarket barriers preventing the enterprises from raising prices, and the introduction of the convertible zloty may bring out a very strong inflationary flare-up. The latter could be counteracted precisely by the sale of shares on very attractive terms.

[KONFRONTACJE] How would this look in practice?

[Kawalec] The privatization of a specific enterprise could proceed as follows. Shares are issued in batches, with a face value of, say, 1,000 zlotys. in an amount such that the sum of face values would equal the book value of enterprise assets. A certain segment of shares, say, 20 percent, is sold through a regular auction in which individuals, domestic private companies, and foreign investors may take part. An analysis of bids submitted at the auction will make it possible to figure out roughly what the demand for enterprise shares is. This will facilitate setting the price at which the bulk of shares will be sold. This price should be such that it would be a virtual certainty that it is lower than the rate which will emerge after distribution of all shares and setting in motion secondary trading at the stock exchange. In other words, this major segment of enterprise shares will be distributed in principle at a price lower than the expected equilibrium price.

[KONFRONTACJE] Who would be able to buy these shares, to get them at this reduced price?

[Kawalec] Any citizen would be able to put in an order for the number of enterprise shares he desires. However, if the price has been set correctly, the number of orders is likely to greatly exceed that of shares sold. In this event, after an examination of the orders is made, a maximum number of enterprise shares sold to one person will be set. All orders for a number of shares not

exceeding this upper limit will be filled in full, whereas orders for a greater number of shares will be automatically cut to the maximum limit.

[KONFRONTACJE] What about enterprise employees? Do you envisage easier access to shares for them?

[Kawalec] A certain segment of shares, say, 10 percent, should be distributed among employees making it possible for all of them to purchase a corresponding number of shares at a price considerably reduced compared to the one at which the general public could purchase shares. It would be desirable in the process to quickly set forth for the future uniform guidelines for establishing the conditions of privileged share purchases by employees and management of the enterprise, so that it would make sense for both of these groups to ensure that at the moment of privatization, their company will have the highest possible market value.

[KONFRONTACJE] The experience of capitalist countries shows that in a competitive environment private enterprises usually show a better economic performance than comparable companies which are publicly owned and operate in the same environment. Can we expect similar results in Poland?

[Kawalec] Yes. However, we need to bear in mind that the efficiency of operations by a company depends more on the environment in which it operates than it does on the form of ownership, as such. The elimination of institutional barriers which restrict the freedom of economic operations and cut off the economy from the world market will be of a decisive importance for boosting competition. The privatization of a segment of enterprises carried out along with these measures may additionally promote a livelier competition among domestic companies to a considerable degree.

[KONFRONTACJE] You are proposing privatization "from the top." Couldn't privatization proceed from the bottom, through the creation of new, and the development of existing private companies?

[Kawalec] Privatization from the bottom is most desirable, and it may proceed in a considerably broader scope than it has thus far if various restrictions hampering the setting up, operations, and development of private companies are canceled. However, privatization from the top may yield very essential additional benefits by accelerating the process of transformation in the economy, and at the same time fundamentally alleviating the social costs of this operation. The sale of shares of profitable state enterprises could, due to its very powerful deflationary impact, provide an opportunity for resolving "the squared circle" of the Polish economic policy, or the issue of how to bring about market equilibrium without causing a drastic decline of real wages. After all, in the most optimistic scenario, the radical market reform bringing about economic equilibrium would be financed by voluntary savings of the purchasers of shares

wishing to get rich, rather than accomplished at the expense of forced sacrifices of the entire society, and particularly the groups with the weakest economic status.

[KONFRONTACJE] Can transferring profitable enterprises to private ownership gain social approval?

[Kawalec] This depends, among other things, on the principles of evaluating and distributing the shares. The experience of privatization conducted in Great Britain by the government of Margaret Thatcher is instructive in this respect. During similar operations carried out by previous Conservative Party governments, shares of reprivatized enterprises were transferred to other private companies, or they ended up with a small group of persons; in many cases, these were simply previous owners. Therefore, a relatively small segment of society was interested in defending the reprivatized enterprises from repeated nationalization when the Labor Party came to power. The government of Mrs Thatcher is conducting nationalization in such a manner that a repeated takeover by the state will not come about. To this end, the shares are distributed so that they will end up in the hands of the widest possible circle of citizens, and share prices are set so that purchasing them is very profitable. Particularly favorable terms for purchasing shares have been arranged for those who could potentially suffer as a result of privatization, first of all, the management and employees of the privatized firms. Between 1979 and 1987, the number of individual shareholders in Great Britain increased from 2 to 9 million. In 1987, over three-quarters of the British regarded privatization favorably, regardless of views of other political issues, and personal attitude toward the prime minister. This was also the case in France after the Chirac government carried out a very vigorous program of privatization based on the British experience. In view of the obvious support of privatization by public opinion, both the British Labor Party and the French Socialist Party gave up on forcing the renationalization plank through in their election platforms.

[KONFRONTACJE] How long would the operation which you suggest last?

[Kawalec] We should strive to secure a normal market, with equilibrium prices and the convertible zloty, very fast, within several, or maybe a dozen or so months. This would change the situation of all economic entities all at once, and would set in motion desirable adjustment processes. Further sales of still other state enterprises would continue, bringing profits which would allow us to avoid a budget deficit fueling inflation, thus making it possible to fund various measures to alleviate the negative consequences of abrupt economic transformations. It appears sensible to me to make a preliminary assumption that within 15 to 25 years, at least two-thirds of the assets of existing state enterprises should end up in the

hands of private persons. The method of privatization will not be such as described above in all cases. For example, other arrangements should be used with regard to unprofitable companies.

[KONFRONTACJE] Why are you suggesting to spread privatization over this exact period of time?

[Kawalec] Given a favorable course of events, within this period of time such an increase in the national product, profits of enterprises, income of citizens, and regular budget revenues should occur, that we will be able to cope without additional funds generated by the sale of state assets. Besides, this spreading of privatization over time will provide an opportunity to reap direct benefits due to purchasing shares for a very broad segment of the populace. Even those who at present have no assets or savings will be able to accumulate meaningful capital over a dozen or so years by systematically buying small numbers of shares of privatized companies, if they decide to take advantage of the opportunity to purchase shares at very favorable prices.

[KONFRONTACJE] You do not take into account the calculations of economists who estimate that, given the current financial resources of the population, buying out the production assets of the socialized sector by citizens should take more than 100 years.

[Kawalec] It appears to me that, if an opportunity to purchase shares on very favorable terms appeared, the populace right now would be able to allocate much more money for purchasing them than data on savings in bank accounts would suggest. In later years, the funds which the populace will be able to earmark for privatization may increase very fast due to privatization from both the bottom and the top. If the privatization of the initial enterprises ends in success, and brings benefits to the purchasers of shares, and people will be inclined to earmark a segment of their income for purchasing shares, then it will be possible, speaking somewhat simplistically, to just give people more money in a variety of ways (e.g., increasing wages in the health service) because a substantial part of this money will return to the budget in the form of payments for the shares purchased, and thus would not cause inflation.

[KONFRONTACJE] Do you expect that a nurse who gets a pay raise will come running and spend the extra money purchasing shares rather than shoes, more meat, or vegetables for her child?

[Kawalec] If she buys more vegetables due to the raise, the income of the owner of a vegetable stand, his supplier, and the gardener who grew them will thus go up. Every one of them may earmark some portion of his extra income for purchasing shares. Incidentally, as the experience of many countries shows, nurses or office employees are no worse shareholder material than university professors.

Limited Privatization Favored

26000393 Warsaw KONFRONTACJE in Polish
No 12, Dec 88 p 22

[Interview with Doctor of Economic Sciences Marcin Swiecicki, general secretary of the Consultative Economic Council; cofounder and member of the secretariat of the "Consensus" Dialogue Group; in 1984-85, with Harvard University in the United States, by Zbigniew Zbikowski: "Privatize With Care"; date and place of interview not given]

[Text]

[KONFRONTACJE] Proposals for reforms in the socialist economy appeared as early as the mid-1950's. They involved the model now termed Stalinist, and were restricted to requests to decentralize management, introduce economic incentives, increase the role of self-management and the market mechanism. This direction has been maintained for several decades. However, in 1986, leading Hungarian reformer Janos Kornai called such views, which he used to share himself, as well as the views of other economists such as Lange, Brus, Sik, and Liberman, naive. What was the root of their naivete?

[Swiecicki] It was assumed in the drafts of reform to date that decentralization would suffice, that an independent enterprise will make optimum decisions in an environment of equilibrium, free supply, and so forth. However, the significance of the institute of property in resolving the issues of motivation and of the capital market was not appreciated. An enterprise has no soul or body. Specific people operate in it. The owner, or the manager controlled by him, make key decisions affecting enterprise efficiency in a private enterprise. The owner is motivated by the desire to increase current profits and the market value of his enterprise. All decisions are considered from this point of view; this motive is decisive. Ultimately, it is one's own purse that is at issue. On the other hand, in a public enterprise neither the director himself, the officials of the founding agency supervising him, or activists of the employee council have a full right to the enterprise assets; therefore, they manage what is, to a degree, "someone else's." This necessarily affects very important decisions, e.g., those concerning the distribution of enterprise profits into wages and investment, labor discipline, and directions of investment. In light of the theory of property laws, the efficiency of "property" decisions under present conditions cannot be high...

[KONFRONTACJE] After all, this theory proceeds from the assumption that an individual is guided in his actions by his own interest...

[Swiecicki] This does not rule out altruistic behaviors, being guided by the general interest interpreted in one way or another, even to the detriment of one's own interests. However, the object is for the economic system to be based on realistic rather than idealistic premises. If

we look at it realistically, the efficiency of various economic decisions is higher when the favorable, or unfavorable economic effects of these decisions affect the one who is making them favorably, or unfavorably to a greater degree. Therefore, it is difficult to expect an efficient socialist enterprise, and thus an efficient socialist economy, in an environment of depletion of extensive growth factors, in the absence of a substantive reform of ownership relations.

[KONFRONTACJE] What would such a reform of property relations involve?

[Swiecicki] We should adopt a constitutional thesis on giving all [ownership] sectors equal rights, allow competition among various forms of property, and an opportunity to change owners. We should greatly relax restrictions on the maximum number of employees in a private enterprise reckoning with possibly eliminating them entirely in the future. In turn, state enterprises should be transformed into joint stock companies, which would result in very flexible forms of distributing property powers. Opportunities for a complete privatization or long-term lease should be provided for small and medium-size state enterprises, especially the unprofitable ones and those with a small profit margin. The ownership reform should also broadly admit foreign capital for operations in Poland by establishing principles which would ensure benefits for both parties.

[KONFRONTACJE] Who would become the owner of shares of reformed state enterprises?

[Swiecicki] The shares would be primarily distributed among institutional entities other than offices, which are interested in profits, and the growth of value of the shares they own. This means reformed banks, insurance institutions, holding enterprises created especially for this purpose, social organizations, regular enterprises already in existence, as well as colleges, hospitals, and so on. Secondly, a segment of shares of state enterprises should be sold to individuals. Therefore, group property will dominate, at least in the initial period, but in such a way that it will provide an opportunity for a capital market to develop. The social-private form of a joint-stock enterprise eliminates the need for a founding agency to be present. After all, the shareholders meeting performs the functions of a proprietor.

[KONFRONTACJE] What about self-management?

[Swiecicki] A purely self-managing enterprise has to run the risk of a takeover by another owner if only the latter ensures higher profits. Therefore, only the enterprises which ensure a competitive level of efficiency would remain independent. In other cases, the workforces will only be guaranteed a certain minimum of participation in management, i.e., by giving the self-management body a certain number of votes on the board of the company. In general, I regard the opportunity to change the form of ownership of an enterprise due to the consideration of

efficiency as the key. We cannot afford the luxury of keeping our economy captive to some new "the only correct solution." The example of Yugoslavia in which the self-management nature of enterprises is irreversible, protected by the constitution, is not encouraging.

[KONFRONTACJE] The transformation of enterprise capital into joint-stock form and trade in shares would bring about the emergence of a real capital market in Poland. What would the benefit of this be for the economy?

[Swiecicki] The capital market forces enterprise management to undertake optimal actions in a given situation. After all, if the management does not work hard enough, and the value of shares is lower than it has the potential to be, the further existence of such management is threatened, and not only because of the dissatisfaction of current shareholders. It would suffice for an investor to come up who would see a chance for increasing future profits in changing the policy of the enterprise. Such an investor may buy the controlling share of the stock, and make changes in [the composition of] the board and the organizational structure of the enterprise. If the situation of the company improves due to these measures, and the price of its stock goes up, then the investor pockets the resulting profit. In this manner, an opportunity will appear to eliminate the thus far incurable malady of the socialist economy—excessive pressure by enterprises and various industry lobbies to start new and, as it turns out later, not necessarily profitable investment projects. Owners "external" to specific enterprises, whether individual or group, will be interested not in the expansion of one particular production line, or implementation of specific tangible programs, but only in the future profit from new investments.

[KONFRONTACJE] A question arises about who would be in a position to implement the ownership reform thus described.

[Swiecicki] The State Treasury should be called upon to implement it; in the initial period, it would become the founding agency for state enterprises which is responsible solely for their profits. The State Treasury would undertake the transformation of state enterprises into joint-stock companies, and the gradual sale of their shares. It would also handle the leasing of state enterprises.

[KONFRONTACJE] Will the ownership reform bring about new social divisions, which are hard to accept in a socialist country, through increasing the role of income derived from capital?

[Swiecicki] By now, the inefficient economy has become the greatest danger to socialism. We should finally understand that internal contradictions are embedded in the set of orthodox principles of socialism. Therefore, we are doomed to certain "compromises." In addition, we

are not talking about returning to 19th-century capitalism, after all. Contemporary tax and insurance systems, old-age benefits, the operation of trade unions provide an opportunity to reduce the potential for exploitation. After all, say, Sweden, in which 90 percent of the economy is in private hands, implements many of the socialist ideals in an almost exemplary manner. Private and group property may coexist with the welfare function of the state, with the responsibility of the state for giving equal opportunity in life, for supporting the development of culture, etc. Moreover, the more efficient the economy is the greater the funds which may be allocated for accomplishing the tasks of the state which we consider necessary. The objective is for the introduction of the market in our economy to move us toward a model approximating that in Scandinavia rather than in, say, South America.

[KONFRONTACJE] The opinion may be encountered that before the war, state enterprises in Poland operated very well. Is this not possible today?

[Swiecicki] The situation of those enterprises was in many ways different from the situation of present-day state units. Those enterprises operated in a competitive environment of private national and foreign companies, and the zloty was convertible. Besides, considerable unemployment made it possible to select the best cadres of both workers and engineers, managers.

[KONFRONTACJE] Will ownership reforms suffice in order to make our economy healthy?

[Swiecicki] This is a necessary, but by no means sufficient condition. There are countries where private property dominates, and yet economic stagnation, mass unemployment, and triple-digit inflation prevail there. A lot depends on the current economic policy of the government which in our country continues to cause considerable reservations. I refer the readers to the reports of the Consultative Economic Council published in ZYCIE GOSPODARSTWA.

[KONFRONTACJE] The theory of laws of ownership suggests that the greater the privatization is in an environment of a decentralized economy and free contacts, the higher the efficiency. You are not proposing complete privatization for us but rather the preponderance of group property in the economy. Why the caution?

[Swiecicki] There are two considerations against the option of rapid and total privatization. First, there are [considerations] of distribution. The value of assets, accumulated through many years of work and sacrifices in consumption by the entire society, is many times greater than the scope of savings accumulated by society, or rather its small segments. A fast sale of these assets would practically amount to giving the rights to profits going into billions, to a small group of owners of savings going into many millions. Second, it is doubtful whether the class of owners created overnight would engage in

reinvesting tremendous profits. As I see it, a real danger exists that easily obtained profits would be earmarked for "safe" nonproduction purchases meant for current consumption, as well as transferred abroad in various forms. Economics is a social science. Severing it from the richness of actual reality and using several schematic premises brings about various mechanistic laws. This may be very fruitful in the sphere of theory. However, attempts at implementing them may bring about lamentable consequences, regardless of the orthodoxy from which the set of initial axioms was taken. It may not be necessary to give examples.

Economists Argue State-Sector Conversion Options

Gradual Group Ownership Favored

26000421 Warsaw KONFRONTACJE in Polish
No 2, Feb 89 pp 22

[Article by Prof Dr Marek Dambrowski, 37, graduate of the Institute of Economic Sciences of the University of Warsaw; in the period 1978-81 worked on the radical economic reform concept on the team headed by Dr L. Balcerowicz; currently at the Section of the Operation of the Economy at the Institute for Economic Sciences of the Polish Academy of Sciences: "Give It Away or Sell It Off?"]

[Text] The experience of economic reforms in socialist countries, as well as the operation of the so-called public sector in Western countries, appear to indicate that there are limits to streamlining the operation of state (public) enterprises.

If we analyze the most decentralized forms of state property, such as a self-managing enterprise of the Yugoslav type (where organs of the workforce make all decisions of a strategic nature, as well as nominate and recall the director) and a leased enterprise, it will turn out that in both cases we are dealing with the consequences of incomplete property rights of the entity managing the enterprise. This influences the issue of economic responsibility unfavorably, reduces the forward outlook of economic decisions (at a self-managing enterprise, its length is restricted by the duration of employment at the enterprise, and in the case of a lease—by the duration of the contract), and restricts motivation for investing in the enterprise.

Within the system of state property, the issue of economically justified founding initiatives remains unresolved; this issue is highly significant for the innovative character and flexibility in the economy, as well as for preventing monopolistic phenomena. In principle, only the organs of authority of state administration may undertake founding initiatives, and they are mostly guided by considerations of a noneconomic nature. Also, the process of creating economic entities by state agencies is naturally cumbersome and inflexible. Other entities are not interested in creating state enterprises.

The need to overcome the dominant role of the state sector in the economy follows from the above considerations. A strategy of merely watching passively spontaneous transformations in the ownership structure of the economy (that is to say, the natural "retreat" of the state sector, and spontaneous emergence and expansion of nonstate enterprises) does not appear to be advantageous, however. The state sector at present is too much of an influence on the condition of the economy in order for us to leave it to its own devices, and observe its withering in peace, waiting for the new ownership structure shaped from below to change the nature of the market environment for individual companies. "The natural course of events" would take too long, causing in the process serious economic and social tension. Therefore, an active policy of state withdrawal is needed on the part of the state, i.e., initiation and support for ownership changes from the top.

In considering the directions of transforming the present-day state sector we may generally distinguish two options—reprivatization of state enterprises, and transformation of state enterprises into group property.

Several considerations speak in favor of introducing both concepts simultaneously. Group property may be regarded both as a relatively permanent arrangement (if we recognize that it is capable of ensuring efficiency approximating that of private forms of property), as well as a transitional arrangement on the road to privatization.

How is a state enterprise to be converted into one that constitutes group property?

In trying to respond to the questions so formulated, I will analyze two alternative paths of ownership transformation—by buying out the deed to property, or by granting the deed to property free of charge (property endowment).

The following arguments speak in favor of the buyout method:

- The buyout method creates adequate economic motivation for managing assets purchased efficiently.
- In the case of ownership by the workforce, the acquisition of partial deeds of ownership by employees through a purchase enhances motivation for effective work on the one hand, and on the other hand neutralizes most of the ineffective behaviors of a self-managing enterprise of the Yugoslav type criticized in the literature.
- The sale of deeds to properties by the state may amount to a significant factor in restoring budgetary equilibrium and achieving a balance in the consumer market (use of the funds of the populace for accumulation purposes).

The following arguments are made against the buyout method:

- The financial resources at the disposal of the populace, and of employees of state enterprises in particular, are so modest that they will not be able to purchase even a portion of state property. The difficulties brought up in the previous point will be exacerbated due to the uneven distribution of financial resources among employees and their differing propensity to invest in enterprise assets. If the idea is to ensure comprehensive participation by employees in buying out property, and a relatively even distribution of contributions (shares) among the workforce, the overall buyout potential will be restricted by the poorest employees, who have the least propensity to invest.
- The mode of evaluating enterprise assets may run into substantial difficulties. Nominal evaluation does not reflect a genuine economic value. The inflationary depreciation of the book value of fixed assets and the failure of official revaluations to keep up (as is the case in Poland) cause additional complications—nominal evaluations produce completely random numbers.
- The assets of an enterprise have been generated largely through the effort of its employees. Why should they buy out the assets generated by their own labor?

This argument of a historical-ideological nature in a certain sense smacks of demagoguery. However, it also includes certain rational elements, especially with regard to the assets accumulated during the time the economic reform was in effect, when certain elements of self-financing and the economic game were already present: the current flow of remuneration vs. investing in the interest of future improvements in the financial situation.

It appears that the desire to circumvent the obstacles mentioned above and to accelerate ownership changes radically is the main justification for the strategy of property endowment, i.e., granting titles to property free of charge in what are now state enterprises to their employees.

Indeed, actual radical devolution of state holdings could be accomplished literally overnight by granting property deeds to workforces from the top. However, the method of property endowment gives rise to several major reservations:

- It may give an incentive for quick capital depreciation in enterprises previously owned by the state, especially in a situation where the enterprise assets would be indivisible. In that event, employees would be interested in maximizing the current stream of income in order to subsequently invest it individually outside the enterprise, or earmark it for current consumption.

- It appears that property obtained at no charge does not create the motivation of a co-owner. Therefore, a significant benefit of incentive is lost which could be achieved through the operation of ownership transformations.
- An opportunity to secure benefits in the sphere of restoring equilibrium in the economy and state budget referred to above is lost.
- Economically and socially unjustified differences in asset endowment would arise which would be based solely on the place of employment at the time of property endowment.

The above balance of the pros and cons appears to justify opting for the path of buyout despite all the difficulties it entails. Property endowment could be applied only in the event of transforming the state segment into municipal property. However, we should consider how to alleviate the barriers associated with the method of buyout.

The issue of evaluating enterprise assets could be solved in the way of an auction, by offering the workforce a dilemma: either the enterprise will be sold to others (private owners, or nonprivate entities, e.g., territorial self-government, another state enterprise, social or political organization, and so forth), or the workforce will purchase it itself by offering a higher sum. Therefore, the workforce would take part in the auction as a collective entity defending the self-management nature of the enterprise.

Now let us go on to the issue of limited financial resources at the disposal of the population (including employees). It appears that this argument has been exaggerated for several reasons.

First, the entire asset resources of the populace (hard-currency resources, real estate, cars, the already existing production apparatus, and so forth), rather than only the monetary resources denominated in local currency, will determine the potential for the buyout of state property by the populace. After all, these resources may be the foundation for creating credit (e.g., mortgages). If we assume that the already existing enterprises, social organizations, foundations, territorial self-government bodies, insurance organizations, foreign entities, and so forth, will also be able to embark on buying out state property, this will greatly increase the liquidity in the capital market, and make the withdrawal of the state through a buyout quite realistic.

Second, evaluation through auctions will adjust the price of an enterprise to the purchasing power of those interested in buying it out.

Third, the financial barrier should gradually give way as the process of state withdrawal and an increasingly greater accumulation of funds outside the state sector proceed.

Fourth, various arrangements are possible which could ease the lack of financing for the buyout at the initial stage of withdrawal by the state, for example:

- Leases of enterprise assets by the state to the workforce, organized in the form of a cooperative or employee partnership, on the condition of the latter putting together a certain amount of capital with its own resources, of a value equal to, say, 10 percent of enterprise assets; the buyout of the rest of the assets would be spread over a number of years.
- Provision of credit for enterprise buyouts to the workforce as a whole or individual employees by a financial institution set up especially for this purpose.
- Creation of mixed state-employee companies in which the part of employee shares would grow gradually starting at a level of, say, 10 percent of the entire capital (the buyout of enterprise capital would be spread over several years); in the transitional period, the shares (contributions) of employees should be made preferred [stock], as far as the number of votes at a shareholder (partner) meeting is concerned, with a view to ensuring the self-managing character of the enterprise (in order to prevent a retrogression compared to the status of a state enterprise). Thus, for example, a workforce holding 10 percent of the shares of an enterprise (the remaining 90 percent being held by the state treasury) would exercise complete economic control over the enterprise due to the privilege in the form of 10 times the voting power.

The above considerations clearly indicate the existence of common problems in implementing both versions of state withdrawal, i.e., in the course of reprivatization and in transforming the state property into group property.

Universal Property Endowment Favored

26000421 Warsaw KONFRONTACJE in Polish
No 2, Feb 89 p 23

[Interview with Doctor of Economic Sciences Janusz Lewandowski, 37, until 1983, employee of the University of Gdansk, at present, head of a consulting firm and associate of the Polish Ocean Lines, participant of the Gdansk Civic Initiative, liberal, and Doctor of Economic Sciences Jan Szomburg, 37, assistant professor at the University of Gdansk, promoter of the self-management movement on the Gdansk Coast, by Zbigniew Zbikowski: "A Chance for Everybody"; date and place of interview not given]

[Text]

[KONFRONTACJE] Recently, various concepts of endowment with property have been discussed completely openly, including in KONFRONTACJE. You are

the authors of one of them. The originality of your reformist scenario is supposed to be in comprehensive property endowment. How exactly is this concept different from others?

[Szomburg] Indeed, we are proposing comprehensive property endowment rather than that of enterprise workforces. This is a fundamental difference. The property endowment of workforces, which may be carried out in various direct (transfer of shares free of charge or their sale) and indirect (buyout on credit, allowances, and so forth) forms, brings about [the emergence of] group property. We believe that this is a "trap" option, a [blind] alley of sorts. We do not agree with the reasoning advanced in the course of the economic discussion, and represented by, for example, M. Dabrowski and L. Paga, which regards employee property as a convenient bridge from state to private property. It is easier to switch directly from state property which, as is increasingly often noted now, is poorly "fitted" property, not to use the word "no-man's." By introducing an intermediate element in the transformation of ownership relations, we are getting entangled in another economic experiment of dubious value from the standpoint of motivation, which delays the de facto start-up of the capital market. Trading in employee contributions is not possible; they are tied to the place of employment, and cannot be withdrawn from there and located more profitably, or passed down from father to son. This is not very much different from regular bonuses for the crew from profits; the greatest difference is, perhaps, in the fact that it hampers the efficient operation of the labor market. A further retardation of allocation mechanisms—probable growth of rigidity in the production system and organizational structures—is the main shortcoming of this arrangement. We still remain bound by the book evaluation of the value of fixed assets based on prices which carry a negligible amount of information.

[KONFRONTACJE] We know now what your proposal is not about. What is it about?

[Lewandowski] Our program is rooted in a critical analysis of other reformist concepts. Since we regard the transformation of state property into group property as a flight "out of the fire and into the frying pan," and equate the natural decay of state omnipresence with the prospect of economic stagnation lasting for many years, the imperative of a parcellation of state property on a broad scale, or a requirement for privatization from the top, arises. The only question is: how is this to be accomplished? Let us try to find an answer to this question. The sale of shares of state companies to private individuals, in line with the Western model, runs into difficulties over the poverty of capital in our society. We come up with an image of reprivatization processes lasting several decades even if we assume increased confidence which will activate the hidden resources of the populace and assistance in the buyout by means of corresponding financing techniques. This duration predetermines the social perception of this scenario of

economic restructuring, and robs it of any motivating value which boosts the imagination and energy of our society fatigued by the crisis. So, after all, maybe an act of comprehensive property endowment, an act of historic justice which would change amorphous state property into a decentralized set of individual and transferable property rights? Let us try to visualize the following operation of property endowment: all our reluctance to use coupons, ration cards, and other such attributes of the "economy of shortages" notwithstanding, we introduce the category of asset certificates with the same face value issued free of charge (or for a handling fee covering the cost of the operation) to adult citizens of our state. The certificates would be issued to a particular bearer, and would not be able to go into circulation. It would be possible to use them only for one purpose—as a title to take possession of the shares of reprivatized enterprises in the stock exchange...

[Szomburg] I stress again—in our model, ownership rights are divorced from employment at a given enterprise. The certificates entitle one to acquire the shares of any enterprise; they are issued to all citizens rather than only enterprise workforces. The shares are also available to all through a buyout. Employees of a given enterprise will not have to acquire the shares of this very enterprise through using certificates or by purchasing them, though there would be certain incentives (preferred stock) to make it so.

[Lewandowski] The freedom of choice is the principle and the condition for assuming economic responsibility for the consequences of making a choice in this matter. Knowing the reprivatization schedule, owners of the certificates would themselves select the moment at which they appear at the exchange in the capacity of a potential shareholder, or would entrust their certificate to a stockbroker as a professional middleman. After the first accounting year passes, that is, after the first dividend is paid, we envisage free trade in shares, with a gradual admission of foreign capital, and restrictions imposed on institutional entities in order to safeguard the system from a repeated takeover by the state. The objective is to start up the capital and money market as soon as possible which makes it possible to assess the value of enterprises in terms of their ability to generate profit in the future, which market will also set in motion the migration of capital to socially desirable sectors.

[KONFRONTACJE] However, what is the value of property rights with regard to enterprises whose further existence is threatened? How do you imagine the introduction of shares of unprofitable enterprises to trading in the exchange? Will there be those willing to purchase them?

[Szomburg] Only beginning the operation of the capital and money market will verify the conditions at present referred to as profitability and unprofitability, and will make economic accounting objective. However, the

problem you have brought up is essential. The management of the assets of the firms in danger would proceed without the mediation of exchange trading. The right to a buyout on credit or a lease would be given first to the collective, and after that, to other nonstate, domestic and foreign corporate persons and individuals, and, finally, to state institutions. Only after economic activation would the asset component be traded in the exchange.

[KONFRONTACJE] I am getting an impression that you are looking for a single simple solution, a panacea to cure all economic ills. This does not leave too much room for a plurality of forms and multiplicity of ways in overcoming the crisis.

[Lewandowski] If you take a closer look at the logic of our arrangement it turns out that it contains the now fashionable plurality of forms, leaving it up to those directly interested to make a choice. We have not yet said that the reprivatization operation embraces enterprises in the competitive sphere, with the communal and infrastructural sphere remaining within the jurisdiction of the state, except for the enterprises which will be transformed into municipal property. Along with the basic form of property transfer through asset certificates, the access to shares in the form of purchases for spare funds will be opened; we expect this to produce a deflationary effect. This, however, is not an additional component of our program. In addition, complete freedom of economic management and the elimination of all barriers hampering human initiative are a tacit assumption for this program; this should, among other things, facilitate a search for the profitable management of assets of state enterprises operating in the red.

[Szomburg] Along with the issuance of common stock shares, we envisage the issuance of preferred stock earmarked for the workforce of a given enterprise. This is not just a maneuver making it possible to solve the problem of control over the enterprise in the period of transition, which is very difficult for all sides learning the new rules of the game. In this manner, the workforce receives complete freedom in affirming its self-management aspirations through a controlling share of stock; the workforce sort of establishes the measure of control.

[KONFRONTACJE] The institutions of market economy and the attendant "spirit" of entrepreneurship have evolved in the course of a protracted evolutionary process. Do you want to achieve all of this in one stroke, sort of decree it, in the form of an act of comprehensive endowment with property which is incredibly egalitarian in nature?

[Lewandowski] Once, they tried to reduce in a single stroke the pluralistic, complex structure of a market economy to the single formula of a state enterprise, leaving other economic forms only at the periphery. Technically, this could be done; actually, from the very beginning, informal reprivatization processes, the so-called second [sphere of] circulation, which are now

well-developed, began to surface within the confines of the state sector. Technically, the economy could be taken over by the state, and the same could be decreed in reverse: conduct property endowment technically, remove the state from the economy, and accomplish the parcellation of state assets. It is the task of economists to design these threshold operations in such a manner that circulation of capital and money develops as a result, that new players in the economic game are created who represent property interests (after all, the objective is not only to accomplish property endowment, but to demopolize and deconcentrate the economy from the top. This requires guarantees which, to our mind, transcend the domestic political compromise; the infrastructure of a capital market and an adequate fiscal system strongly encouraging holding shares and reinvesting profits are needed. Therefore, we are planning an attempt on statism as an artificial creature hampering natural healing processes which can neither be planned nor decreed. Egalitarianism contained in the formula of comprehensive property endowment means as much as equal opportunity: everyone gets an opportunity, and this is the most noble form of egalitarianism.

[Szomburg] It appears that the likelihood of our draft getting social approval is higher than in the case of proposals involving group property. It is fairer than the option giving property rights to enterprise workforces but depriving, say, physicians, teachers, and retirees. It provides initially equal opportunity, whereas the property endowment of workforces differentiates the property status depending on the economic situation of individual enterprises, which is only to a small degree due to the quality of labor of the workforce. We do not expect comprehensive shareholding to be a lasting phenomenon. On the contrary, we assume from the very beginning that some will accumulate shares, and others will get rid of them. An arrangement natural for our society will evolve in this sector (in Western countries, direct shareholders account for up to 20 percent of the populace). However, the most important point will be accomplished: the logic of economic control over enterprises and managerial operations will change from bureaucratic to capital-oriented. This reduction of the period of derangement in the economy, which the administration cannot bring under control, but in which economic mechanisms do not operate either, is exactly the objective.

[Lewandowski] A similar derangement now reigns in the sphere of thinking. The illusion that we may base the development of our economy and civilization on mechanisms other than the ones on which the vitality and the success of Western societies hinge is generally coming to an end. Resistance to raising the straightforward issue of the mechanism of systemic transformation becomes apparent at the same time. We believe that this matter should be thought through to the end before the pressure of the moment forces us to undertake improvised actions. Our proposal should be viewed in this context—as a building block in constructing an economic alternative necessary for our society, which is suffering from the emigration disease because it has lost faith in an opportunity for change.

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68

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